

Draft Statement of Accounts 2024/25

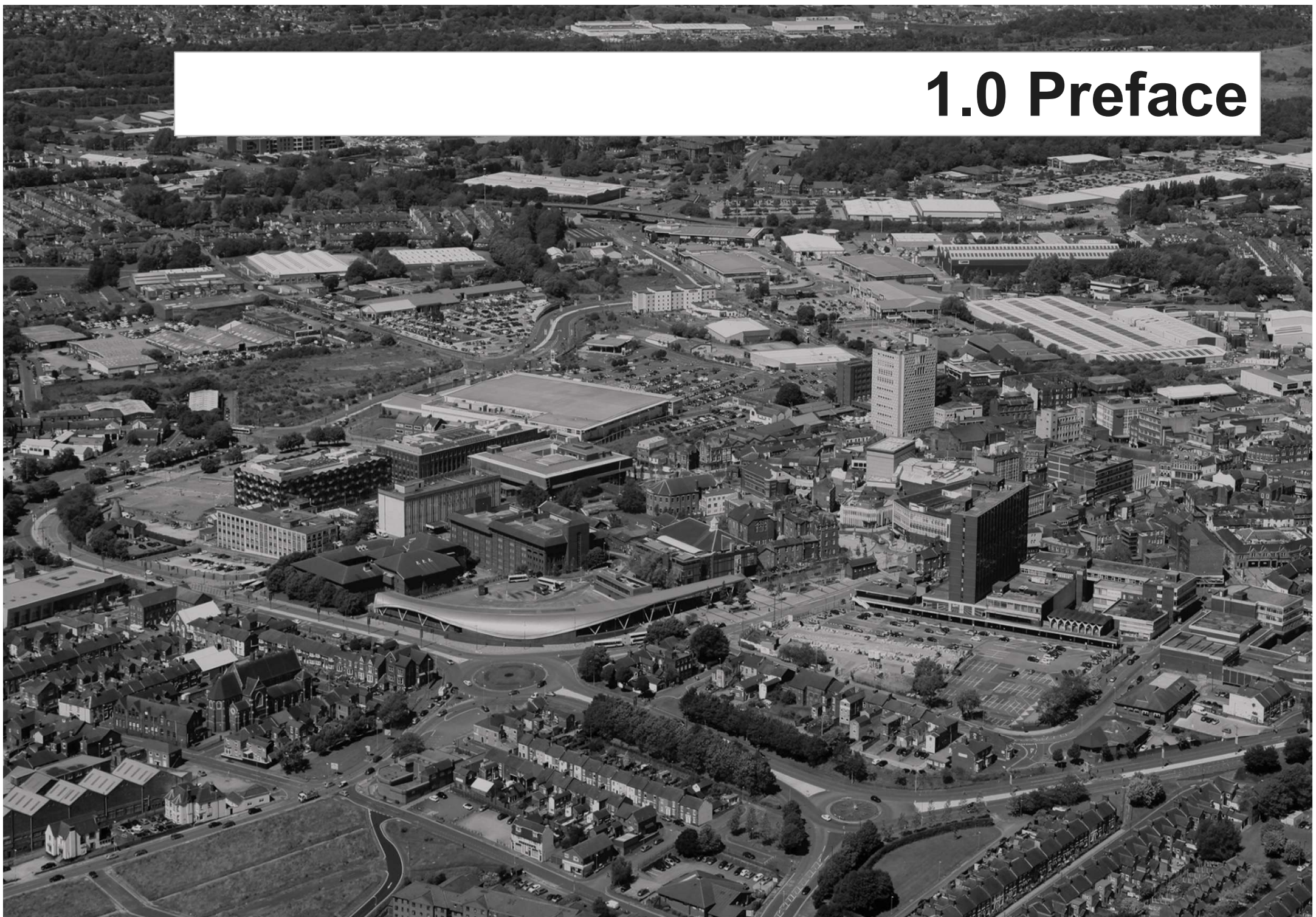


The Statement of Accounts for Stoke-on-Trent City Council for the year ended 31 March 2025 has been prepared and published in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ("the Code") issued by the Chartered Institute of Public Finance and Accountancy. The Code is based on International Financial Reporting Standards, as adapted for the UK public sector under the oversight of the Financial Reporting Advisory Board.

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1.0 Preface



1.1 Narrative Statement

1.1a. Welcome to the Statement of Accounts for Stoke-on-Trent City Council for the Financial Year 2024/25

The accounts provide a true and fair view of the financial performance of the city council in delivery of services to the citizens of Stoke-on-Trent. They also summarise the overall financial position of the city council for the year ended 31 March 2025. The accounts and accompanying documents are subject to an external independent audit by Forvis Marzars LLP and their opinion forms part of this document.

Background

Stoke-on-Trent is a city and unitary authority in Staffordshire, England, covering an area of 36 square miles and home to approximately 263,000 residents. The City Council delivers a wide range of essential public services across the area. Stoke-on-Trent is distinctive in its polycentric nature, having been formed in 1910 through the federation of six towns. It takes its name from Stoke, the location of the original administrative centre and main railway station. Today, Hanley serves as the primary commercial hub, with Burslem, Tunstall, Longton, and Fenton completing the city's historic makeup. The local landscape includes a mix of residential, industrial and commercial areas, alongside an unusually high proportion of green space for an urban setting.

Affectionately known as 'The Potteries', the city has a proud industrial heritage. Like many former industrial centres, Stoke-on-Trent is undergoing a period of economic transition. Regeneration – in both physical redevelopment and the creation of new employment opportunities – remains central to the city's long-term prosperity. Stoke-on-Trent City Council is a large and complex organisation, with strategic direction set by elected members and delivered by council officers.

The city's Centenary in 2025 marks 100 years since Stoke-on-Trent was officially granted city status. It is a significant milestone – an opportunity to celebrate a century of illustrious history and heritage, its vibrant cultural identity and its passionate, creative and indomitable spirit. It is also a time to reflect on the present and look ahead to the future. Recognising 100 years of progress allows us to better understand the journey ahead. For the Council, this moment reinforces the importance of long-term decision-making and the lasting impact of the choices we make today, and compels us to consider how we can shape services around the needs of our residents, enabling them to celebrate and take pride in their city.

The council continues to work towards placing its finances on a more stable and sustainable footing, but although the 2025/26 budget, approved in March, avoided immediate large-scale reductions to services or staffing, this relied upon significant borrowing through EFS provided by central government. This follows a prolonged period of financial constraint, with over £100 million in spending reductions over the past 15 years. The short-term financial outlook remains highly challenging and the requirement to repay £60 million of EFS borrowing in future years will create additional pressures over the longer term. Whilst every effort continues to be made to work within financial constraints, ongoing financial uncertainty continues to affect the council's ability to plan and invest and we continue to make the case for a fairer settlement to government and hope that we will see further progress through the Spending Review.

1.1 Narrative Statement (continued)

1.1b. Political Structure

The council has adopted the Leader and Cabinet model as its political management structure arising from the Local Government Act 2000, as amended by the Local Government and Public Involvement in Health Act 2007. The requirements of the act are such that the Leader of the Council is appointed by the City Council and they appoint a Cabinet consisting of up to 9 Cabinet Members. The Leader allocates Portfolio responsibilities to the Cabinet Members, but individual Cabinet Members cannot take decisions and all key decisions are taken collectively by the Cabinet, or in rare circumstances by officers under delegated authority.

The council comprises 44 councillors in total. They are elected to represent a mixture of single and multi-member wards (26 single-member wards, six two member wards and two three-member wards).

The political make-up of the council at the 31 March 2025 is shown below. (Note: A by-election was held on 15 May 2025 following a councillor resignation, the result of the election has reduced Labour to 28 seats and increased the number of non-aligned councillors to 3 seats):

Labour – 29
Conservative – 13
Non-aligned - 2

The political make-up of the council at the 31 March 2024 was:

Labour – 29
Conservative – 14
Non-aligned - 1

1.1c. Management Structure

The council's most senior level officers support the work of the elected members. During 2024/25 the team was as follows:

- Chief Executive
- Corporate Director - Adult Social Care and All-Age Commissioning
- Corporate Director - Children and Families
- Corporate Director - Housing, Regeneration and Operations
- Corporate Director - Public Health, Protection and Wellbeing
- Corporate Director - Resources (Section 151 Officer)
- Director – Legal, Governance and Customer Services (Monitoring Officer)

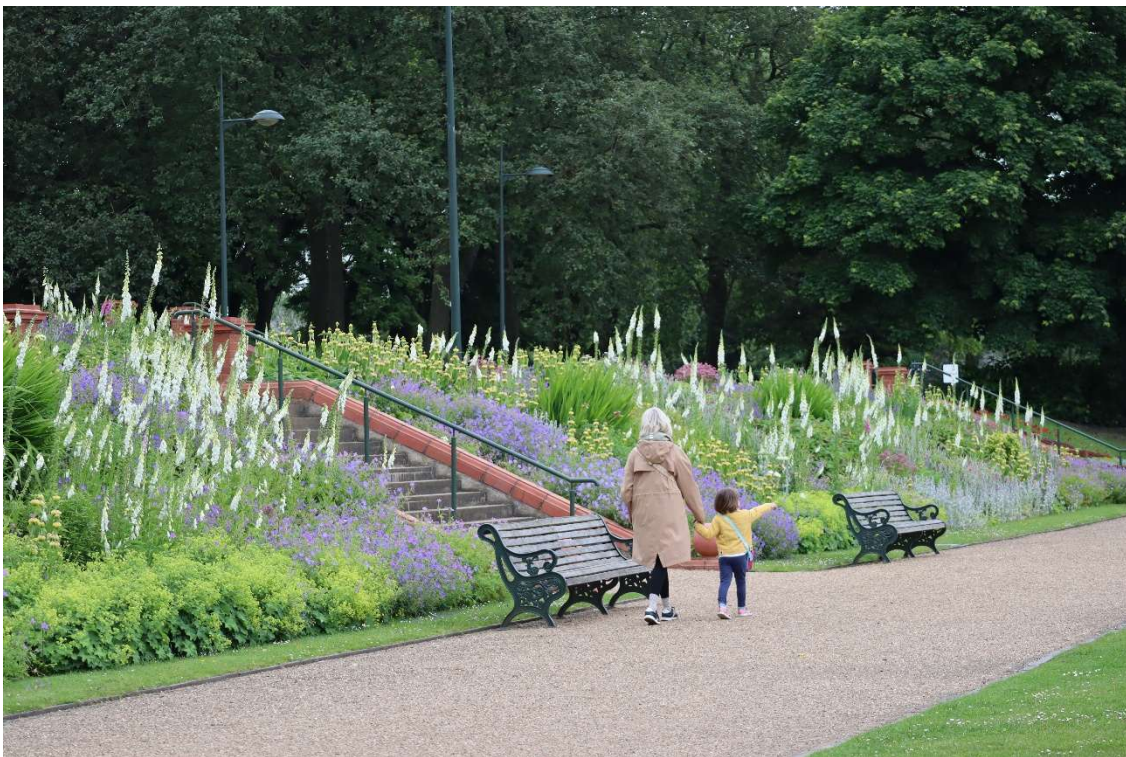
1.1 Narrative Statement (continued)

1.1d. Corporate Strategy and Success Stories

In December 2023, under the new administration, the council assessed its main challenges and opportunities that could be used to shape the future direction of the city. These were then used as the basis for a new corporate strategy, *Our City, Our Wellbeing*, and strategic vision. Following months of feedback and insights from stakeholders, staff, partners and residents, the final strategy was approved by Full Council on 16 May 2024.

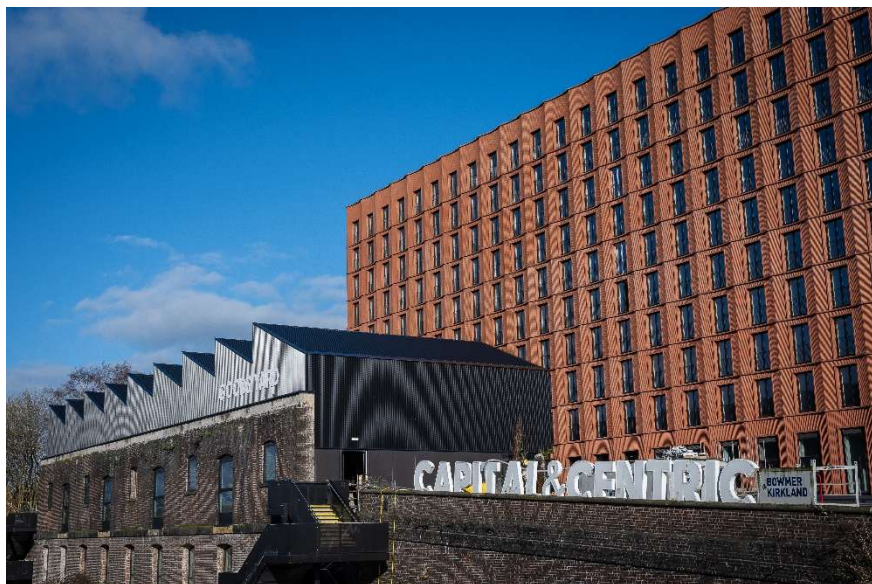
A Healthier City

The overarching aim of the Our City, Our Wellbeing Corporate Strategy is to reduce persistent health inequalities and improve citizen's health and wellbeing levels. The City Council has carried out considerable work over the last year which has contributed towards reducing health inequalities in the city and creating a healthier standard of living. Prevention and early intervention have been important elements of the council's approach in order to keep people of all ages healthier for longer and protect them against preventable health conditions. This emphasis has been exemplified in the delivery of ongoing partnership initiatives such as Changing Futures, Community Lounges, Community Catalysts, Locality Connectors and Family Hubs.



The city's Sustainable Food Network was launched in September 2024 to help ensure that disadvantaged residents and families could benefit from healthy and affordable food. Community Lounges provide multi-agency support services in 18 local community venues to improve access to healthcare and support services. The Community First initiative raised awareness of vaccinations in order to boost uptake and prevent more vulnerable people from the risk of serious illness. Although the operational context continues to be challenging, with high demand and costs for service provision, feedback from citizens has indicated an increase in satisfaction levels with the quality, accessibility and responsiveness of local service provision.

1.1 Narrative Statement (continued)



A Wealthier City

Stoke-on-Trent's successful partnership approach to addressing the impacts of the cost of living crisis on deprived areas and low-income households has delivered spectacular achievements during the past year. The Help Is At Hand campaign, which was launched at the end of 2023, included the Money MOTs initiative, which has provided financial advice and support to more than 5,350 people, identifying £2.7 million in unclaimed benefits, enabling debts worth more than £890k to be written off and lifting thousands of people and families out of poverty. The City Council also secured £7 million of government funding to fund energy efficiency improvements to help alleviate fuel poverty. Working with the Beat the Cold charity, the council has helped more than 7,700 households out of fuel poverty. In relation to economic development, inward investment and regeneration activities, the council secured government funding totalling £9.9 million to improve bus service provision, reducing the cost of fares and expanding the network to enable more people to access places of work and study, as well as local services. Keeping the city's road network in good condition is an important enabler for the local economy. The city's Highways teams responded to more than 17,000 reports of potholes and other defects during 2024/25, compared to 7,452 for the whole of the previous year, and cut the response time by almost half. The council also commissioned a commercially viable alternative proposal for the central Etruscan Square development plans to regenerate part of the City Centre, secured £20 million of government funding to deliver a number of regeneration projects through the Levelling Up Partnership Programme, as well as securing £750,000 to transform Stoke town centre as part of the High Street Accelerator programme.

1.1 Narrative Statement (continued)

A Safer City

The council has been involved in delivering a number of successful initiatives to combat crime and anti-social behaviour in the city and to protect citizens from harm. The city's Trading Standards and Environmental Health officers have worked with the police and other enforcement agencies to target traders who flout the law by selling illegal and unsafe products, including illicit vapes and tobacco products and their unlawful sale to under-age customers. Officers have seized goods worth more than £700,000 in the past year (double the total for 2023/24) and shut down a number of stores which were trading illegally. The council has also targeted anti-social behaviour, dealing with more than 2,500 cases in the past year and using enforcement powers to impose evictions, injunctions and financial penalties. An additional 20 CCTV cameras were installed in Longton and Tunstall, extra wardens were employed to patrol town centres, and new security measures were fitted at transport hubs to improve passenger safety. Housing teams have also targeted rogue landlords and empty homes in the city to prevent abandoned properties being used for criminal purposes or becoming hotbeds of anti-social behaviour which blight city neighbourhoods. The council has also worked in partnership with Staffordshire Police to deliver the Making Great Places initiative to work with local communities to reduce crime and anti-social behaviour in Shelton and Fenton. Through our focus on ensuring the right support to families - together with a focus on securing permanency for cared for children through reunification, Special Guardianship Orders and adoption - the number of children in care has started to reduce. Our restorative and relational approach has also seen an increase in successful recruitment and fewer vacancies which has reduced the need for agency staff. Positively, this is in line with the government's social care reforms which puts families at the heart of our decision making.



1.1 Narrative Statement (continued)

A Greener City

The City Council has prioritised the development of decarbonisation and renewable and low-carbon energy generation and distribution projects. Construction of the innovative District Heat Network has gathered pace, and plans have been developed for a game-changing energy recovery system to be built at the council's energy from waste site, at Hanford, as well as creating a renewable deep geothermal heat source under the city which can provide limitless low-carbon heat energy for the expanding heat network. New developments, such as The Goods Yard, in Stoke, will have heat network connectivity built in to boost their environmental sustainability and reduce carbon emissions.



The council has launched the Big Green Fund to distribute vital funding to promote and support projects to make city neighbourhoods more environmentally friendly. The programme has so far distributed £90,000 to six projects which aim to rejuvenate community spaces across the city. The council has also created and improved local green spaces around Stoke-on-Trent, with 668 individual improvement works delivered during 2024/25. The authority has also invested in improvements to part of the city's canal network to make towpaths safer and more accessible. Additionally, the council has rolled out a programme offering interest-free loans to businesses to fund projects which will reduce energy consumption, bills and carbon emissions.

1.1 Narrative Statement (continued)

A Cleaner City

The City Council has made tackling environmental crime one of its top priorities in order to protect residents and businesses from the scourge of illegal waste dumping. Following the high-profile success of the citywide IDIOT campaign (Illegal Dumping In Our Towns), the council has embedded the approach in its day-to-day service delivery to ensure that dumping incidents are cleared rapidly from affected neighbourhoods, investigated and the culprits punished with substantial fines. Data shows that the number of fly-tipping incidents had fallen by around 12 per cent last year following the introduction of tougher enforcement tactics, while average response and clean-up times had reduced dramatically from 13 to just 1.7 days from illegal dumping. In addition, the authority has worked with businesses and community groups to develop new initiatives aimed at encouraging and supporting residents to take greater ownership and responsibility for their local areas and environments.



These include the Love Your Street campaign, which has been run in specific areas of the city during 2024, the Big Spring Clean and the citywide #LoveSOT campaign, mobilising local businesses, residents and community groups to help keep Stoke-on-Trent clean. The council has also invested in more sophisticated approaches to environmental enforcement, including deploying the city's first solar-powered covert CCTV camera to catch illegal rubbish dumpers at fly-tipping hotspots. The council was one of the first in the UK to take advantage of new powers to increase the maximum fines it can levy for environmental offences. The council's work towards delivering this priority has bolstered pride in communities and demonstrated to embattled neighbourhoods that they will be supported in the ongoing fight to protect their streets and green spaces.

1.1 Narrative Statement (continued)



A Fairer City

The City Council has made reducing persistent inequalities one of its key aims, of which improving and enshrining fairness is a key element. Much of the council's work with local partners to deliver this priority has focused on identifying and dismantling systemic barriers which limit people's opportunities to live well and build fulfilling lives. For the most vulnerable citizens, fairness can mean having a safe place to sleep each night and access to food, essentials and medical care. The council has worked with community groups to support rough sleepers in the city, as well as securing government funding to create additional accommodation units for people experiencing homelessness and rough sleeping. The provision of high-needs supported accommodation has succeeded in supporting almost 150 adults to move on from rough sleeping. The council is also working with partners to empower communities in some of the most deprived parts of the city. The Strengthening Communities programme is working with residents and local organisations in areas which lack access to opportunities, and where residents are severely affected by inequalities and a lack of local facilities, and feel that they are unable to influence issues affecting their lives and the places where they live. The programme aims to empower people to become more involved in decisions which have an impact on their communities.

1.1 Narrative Statement (continued)

A Skilled City

As a key enabler of training and skills improvement, the City Council has worked closely with partners in education and business to create tangible pathways to access and progress into more skilled employment. As a net beneficiary of the Apprenticeship Levy, the council has continued to share the potential advantages of workplace skills development with eligible small and medium sized enterprises (SMEs) in the city, helping to earn Stoke-on-Trent the reputation of being among the best places in the UK to take up an apprenticeship. The city has also closed the persistent qualifications gap against the rest of the West Midlands and the UK as a whole, and now has a higher proportion of adults with NVQ Level 4 or higher qualifications than the regional average, while the proportion with no formal qualifications now equals the West Midlands and is just 1.3 per cent higher than the UK figure. The City Council has also invested in new enterprise training facilities, such as the Launch-It enterprise centre based inside Longton Town Hall, to nurture future generations of local entrepreneurs.

The authority has channelled £14 million of UK Shared Prosperity Fund money into supporting community initiatives to create new skills development opportunities throughout the city, enabling thousands of adults to access education and training to gain new qualifications, skills or work opportunities. Encouraging data on educational performance shows that recent improvement in the quality of the city's schools has been maintained in 2024/25, with 88 per cent of settings achieving good or better Ofsted ratings.



1.1 Narrative Statement (continued)

1.1e.Financial Overview 2024/25

The City Council, along with the rest of the local government sector, continues to experience significant financial pressures from the cost of children's and adults' social care and the continued impact of high inflation on the council's pay bill and the cost of goods and services.

The City Council set a balanced budget for 2024/25 in February 2024 based on the estimated levels of demand projections available at the time and only with the assistance of Exceptional Financial Support (EFS). As part of the 2024/25 EFS framework, Ministry of Housing, Communities and Local Government (MHCLG) commissioned The Chartered Institute for Public Finance and Accountancy (CIPFA) to undertake a Financial Management review of all councils in receipt of EFS. At the beginning of this financial year, CIPFA conducted an external assurance review of Stoke-on-Trent City Council. MHCLG have published their findings in a formal report, which is available on the central government website: [Stoke-on-Trent City Council: External assurance review - GOV.UK](#). Tight financial controls imposed by the Section 151 Officer in 2023/24 remain in place in order to limit all but essential expenditure across the organisation. Dialogue between the council and MHCLG remains ongoing.

At the end of December 2024, the city council faced in-year pressures of £7.2 million, the overspend was primarily within Children and Family Services, with pressures in other areas being offset by underspends and mitigations. Through the implementation of stringent financial controls, the identification of targeted mitigation measures, and the application of Exceptional Financial Support provided by the government to offset specific costs, including transformation initiatives and the interest costs of borrowing, the City Council was able to reduce the forecast pressures to deliver a balanced position at year end. This approach enabled the General Reserve to be maintained at its previous level, a contribution has been made to the Strategic Risk Reserve to strengthen future financial resilience, and ensured that the Council's capital receipts remain protected for the repayment of borrowing in due course

Exceptional Financial Support (EFS)

Exceptional Financial Support is a capitalisation direction, issued by Government, that allows councils to fund revenue expenditure via capital financing methods such as capital receipts from the disposal of assets, or through borrowing. This means that councils are allowed to sell buildings, land or assets and use the money to finance the pressures they face. It is important to note that whilst central government is granting special permissions through a capitalisation direction, individual councils in receipt of EFS are still using their own resources to address the challenges they face through the sale of such assets.

Despite working hard to reduce pressures in both 2023/24 and 2024/25, it was clear that the council was highly unlikely to mitigate the in-year pressures driven primarily by the cost of children in care placements. The council entered into constructive dialogue with the Department for Levelling up, Housing and Communities (DLUHC), now the Ministry of Housing, Communities and Local Government (MHCLG) at an early stage. These discussions concluded in a request for EFS of £42.2 million covering both 2023/24 and 2024/25.

1.1 Narrative Statement (continued)

In line with a growing number of local authorities nationally, the council has factored the use of EFS from government into its financial planning to create the conditions for improved sustainability. The council has secured a further approval in principle from the Government for £16.8 million of EFS funding for 2025/26. The extension of the EFS funding will mitigate short-term budgetary pressures and facilitate increased investment in transformation and efficiency programmes. The council's plan is to repay this borrowing over the medium-term using its pipeline of capital receipts generated through the disposal of land and property assets, however, failure to secure the necessary capital receipts or savings could result in additional budgetary pressures on local services in future years. The council is taking steps to minimise the amount of EFS required and will only draw down on this facility if necessary.

Assessement of Risk of Section 114 Notice

Following the approval of exceptional financial support, the council considers the risk of issuing a Section 114 notice in the near future to be relatively low. This assessment is based on robust financial management, active monitoring of budgets, and the implementation of a comprehensive Medium Term Financial Strategy. Continued focus on delivering savings, improving service efficiency, and maintaining adequate reserves has strengthened the Council's financial resilience. However, the Council recognises that future financial challenges remain, particularly relating to the escalating costs and potential cost shunt within the health system, as well as the scale of the High Needs Dedicated Schools Grant (DSG) deficit. Without a reduction in these pressures, further Exceptional Financial Support may be required in future years. The sustainability of relying on EFS and the treatment of the High Needs deficit—particularly in the event that the current statutory override is removed—represent significant risks to long-term financial stability. These issues are being actively discussed with central government, as they require a national policy solution. Adherence to strong financial management and regular engagement with external auditors and government partners ensures identification and mitigation of risks at an early stage. This proactive approach supports the Council's ability to meet its statutory financial responsibilities and safeguard the ongoing delivery of essential services

The city council has always said that the financial position would be stabilised over the medium term through a five-year recovery plan, and that further financial support from government has been requested in 2025/26 in respect of early intervention and early help, in line with the Children's Improvement Plan, avoiding any need to draw down from the council's reserves which are already at the minimum recommended level.

At the end of March 2025, a total of £21.4 million EFS has been applied, as can be seen in the table below, including:

- £11.5 million relating to children's social care placements pressures
- £3.0 million to fund investment into early intervention
- £3.0 million to fund transformation costs
- £1.9 million relating to the interest cost of borrowing
- £2.0 million transfer to the Strategic Risk Reserve to increase financial resilience

1.1 Narrative Statement (continued)

Directorate	Net Budget £'000	Outturn £'000	Variance £'000	EFS £'000	Revised Variance £'000
Children and Families	116,471	122,229	5,758	(3,000)	2,758
Adult Social Care and All-Age Commissioning	78,283	80,568	2,285	-	2,285
Public Health, Protection and Wellbeing	(578)	(300)	278	-	278
Housing, Regeneration and Operations	34,332	31,202	(3,130)	-	(3,130)
Chief Executive	5,404	5,568	164	-	164
Resources	35,800	33,090	(2,710)	-	(2,710)
Non-Departmental	26,294	26,706	412	(6,871)	(6,459)
General Fund Services	296,006	299,063	3,057	(9,871)	(6,814)
General Fund Funding	(280,751)	(281,926)	(1,175)	-	(1,175)
	(11,500)	-	11,500	(11,500)	-
Capital Receipts	(3,755)	-	3,755	-	3,755
Contribution to Reserves	-	4,234	4,234	-	4,234
General Fund Total	-	21,371	21,371	(21,371)	-
Housing Revenue Account	-	-	-	-	-
Total Net Outturn	-	21,371	21,371	(21,371)	-

A reconciliation between the reported outturn and the deficit on provision of services reported in the Comprehensive Income and Expenditure Statement (CIES section 3.1) of the statement of accounts, can be found in section 1.11 of this narrative statement, and further details on significant areas below.

The **Children and Families Directorate** overspent by £2.8 million at the end of March 2025. This is the position after EFS is applied (£11.5 million relating to Children in Care Placements and £3.0 million relating to the investment in early intervention). The Children's Services Improvement and Delivery Plan is pivotal in driving the change in demand for Children's placements, this continues to be monitored closely. This aligns with the plan set out to government that aims to reduce over the medium-term number of children in care, as well as managing the unit cost of placements through robust and effective commissioning. There were 1,056 children in care at the end of Quarter 4. Mitigations and step downs have occurred during the financial year, however the number of Children in Care within external residential settings remains high.

1.1 Narrative Statement (continued)

Adult Social Care and All Age Commissioning overspent by £2.3 million at the end of March 2025. The service has seen continuing increases in demand and unit cost of social care placements, particularly in working age adults' residential placements and older persons nursing care. This is due partially to an expected increase in continuing healthcare assessments that are likely to require local authority funding and to a lesser extent, domiciliary care. This is a national picture resulting from the ongoing impact of Covid-19, rising hospital discharge numbers and inflation. Planned mitigations include a review of the Better Care Fund to maximise the health contribution towards the social care cost pressures, as well as a review of provider services to ensure value for money is being provided and new models of care in line with a strength-based, outcome focussed approach to increase service user independence and reduce cost pressures.

Dedicated Schools Grant – The city council receives £318.1 million of Dedicated Schools Grant (DSG), before academy recoupment and direct funding of high needs places by the Education and Skills Funding Agency (ESFA), of which £56.2 million is within the High Needs Block. This supports the provision for pupils and students with special educational needs and disabilities (SEND) from Early Years to 25. There is a historic deficit on the DSG, and the City Council continues to work closely with the Department of Education (DfE) to monitor and mitigate the position.

To meet the estimated expenditure for 2024/25, the City Council budgeted for an increase of £4.1m in the existing deficit. This assumption would have resulted in a deficit of £16.5m by the end of 2024/25. Additional cumulative net pressures of £10.1 million have been identified compared to the March 2025 DSG allocation, resulting in a year end carry forward deficit of £22.4m. A statutory override is currently in place in relation to the DSG deficit. However, the potential removal of this override remains a risk for all affected local authorities, and such a change would represent a significant financial risk to the council.

The City Council had a 'safety valve' agreement with the Department for Education (DfE) regarding the DSG position, including support over a 4-year period between 2020/21 and 2023/24 of £10 million to support the reduction of the DSG deficit. This was also supported by an action plan which was intended to ensure that the DSG reserve was returned to a balanced position by the end of 2023/24. A further £7.5 million capital allocation was granted to help to address identified sufficiency issues, supporting the creation of additional local special school places.

The agreed action plan initially covered the financial years from 2020/21 to 2023/24, with a focus on two key strands: firstly, to reduce the number of independent sector placements (to be achieved through the increase of provision within the city including expansion of special schools, resource bases and free schools); and secondly, to work with mainstream schools to ensure that the pupils with special educational needs can have appropriate provision within a mainstream setting. The City Council has approved and significantly progressed a number of capital works to increase capacity and introduced some service changes to address the cost pressures within the service. This includes a comprehensive banding review and increased engagement activities with Special Educational Needs Co-ordinator (SENCo) within the education sector.

1.1 Narrative Statement (continued)

Since the original plan was agreed, significantly higher ongoing pressures have been identified. Following the COVID-19 pandemic, there has been a significant increase in the number of Education Health and Care Plans (EHCP) issued, which follows a national trend. There has also been an increase in the cost and complexity of EHCPs and a significant financial pressure in relation to the costs of Alternative Provision (AP), driven by an increase in the number of permanent exclusions. Some of these pressures have partly been mitigated by underspends on the Early Years Block and Growth Funding. The increased costs will continue to have a significant impact in future years, which will need to be managed.

Due to these unforeseen factors, the original Safety Valve agreement has failed to meet its target of bringing the DSG back in to balance by financial year 2023/24. As a result, the City Council approached the DfE for an extension to the Safety Valve and a request for additional funding to cover these extenuating circumstances and additional pressures uncovered. The DfE have confirmed that they will not be able to provide further support through the Safety Valve programme. The DfE have advised that they will provide expert advisor support to the local authority through the usual Regions Group channels and discussions have begun with providers about a remedial plan to address the deficit position.

Housing Revenue Account - The Housing Revenue Account (HRA) is a statutory account which records expenditure and income relating to running a council's own housing stock and closely-related services or facilities, which are provided for the benefit of the council's own tenants. The HRA Expenditure and Income Statement sets out the financial position for the year, before taking account of the statutory adjustments required to be made to the accounts. The Statement of Movement on the HRA Balance reflects these statutory adjustments and shows how the financial performance for the year has impacted on HRA reserves.

The HRA income and expenditure statement shows a balanced position at the end of 2024/25.

The council manages 17,724 dwellings (as at 31 March 2025) and collected £79.2 million in dwelling rent in 2024/25 (£71.9 million in 2023/24). £27.8 million was invested in new builds and improvement to existing stock in 2024/25 (£38.4 million in 2023/24).

1.1 Narrative Statement (continued)

1.1f.Capital Expenditure 2024/25

The capital Investment Programme has a total planned investment for 2024/25 to 2033/34 of £889.9m. The provisional outturn for 2024/25, as set out in the table below, is £107.6m representing an estimated underspend of £68.1m in year, this is mainly due to slippage in delivery of schemes. Any underspend is reviewed and carried forward into 2025/26 where appropriate.

Description	Proposed Budget 2024/25 £'000s	Provisional Outturn 2024/25 £'000s	Forecast Variance £'000s
Town Centre Development	576	409	(167)
University Station Gateway	130	126	(4)
Green Technologies	5,119	505	(4,614)
UK Government Funding	37,770	21,855	(15,915)
City Centre Infrastructure	25,172	19,007	(6,165)
Highways Infrastructure	14,871	9,682	(5,189)
Parks & Greenspace	981	581	(400)
Highways & Fleet	6,599	3,732	(2,867)
Waste Strategy	2,737	1,102	(1,635)
Planning, Development & Compliance	1,621	290	(1,331)
Economic Growth	1,107	1,180	73
Community Cohesion	90	9	(81)
New Build Housing	2,422	349	(2,073)
Housing (GF)	5,079	3,497	(1,582)
Housing, Regeneration and Operations Directorate	104,274	62,324	(41,950)
Education Services	15,312	8,413	(6,899)
High Needs Resource Provision	2,716	568	(2,148)
Childrens Social Care	1,253	238	(1,015)
Children and Families Directorate	19,281	9,219	(10,062)

1.1 Narrative Statement (continued)

Description	Proposed Budget 2024/25 £'000s	Provisional Outturn 2024/25 £'000s	Forecast Variance £'000s
ICT	7,154	4,657	(2,497)
Corporate Property	4,249	1,199	(3,050)
Capital Contingency & Corporate Libraries	4,100 192	6 154	(4,094) (38)
Resources Directorate	15,695	6,016	(9,679)
Museums & Culture	502	524	22
Chief Executive's Directorate	502	524	22
Bereavement Care	1,000	157	(843)
Sport & Leisure	1,102	603	(499)
Community Development	271	303	32
Public Health, Protection and Wellbeing Directorate	2,373	1,063	(1,310)
Adult Social Care	851	590	(261)
Adult Social Care and All Age Commissioning Directorate	851	590	(261)
Total General Fund Capital Programme	142,976	79,736	(63,240)
HRA Public Sector Housing	26,195	22,372	(3,823)
HRA New Build Projects	4,746	4,153	(593)
HRA Pipeline Schemes	1,719	1,304	(415)
Total HRA Capital Programme	32,660	27,829	(4,831)
Total Gross Capital Investment Programme	175,636	107,565	(68,071)

1.1 Narrative Statement (continued)

Financial Health of the Council as at 31st March 2025

1.1g.Assets

Every year the council undertakes a significant revaluation exercise to reflect the value to the council in delivering services from its assets. As a result of the exercise some asset values have increased while others have decreased resulting in an insignificant movement in overall value. The movements include upward revaluations of £86.7m (including Council Dwellings £62.6m) and downward revaluations of £40.9m (including Council Dwellings £33.2m). These valuations do not represent the market value of the asset rather their continued value in use to the council.

For additional information see note 4.2.11.

1.1h.Capital Investment and Borrowing

The funding of the capital programme is a mixture of council support, leverage from external bodies, grants and reserves. The funding of the programme separates those funding streams to show how that funding is applied to both the HRA and the general fund. The total value of the capital programme for 2025/26 – 2034/35 is £741.3 million. £341.0 million is currently assumed to be funded by borrowing of which £231.2 million is the HRA element. This will lead to an increase in the capital financing requirement, which represents the underlying need to borrow for capital purposes.

Capital Financing Requirement	£m
As at 31 March 2025	904.3
Represented by:	
Existing Borrowing	729.0
PFI Liability	43.3
Internal Borrowing in the form of:	
Usable Reserves/Working Capital	132
Total	904.3

The overall capital investment is financed with the assistance of external support from government and other agencies, as outlined in note 4.2.12b of these accounts. The council provides funding through one off revenue contributions, section 106 developer contributions and borrowing. The capital financing requirement, increased by a net £26.8.million in 2024/25, and stood at £904.3 million at the end of the year.

Internal borrowing represents the unborrowed element of past capital investment. Actual borrowing is predicated on the cash position of the council at any time. The management of cash held by the council determines the optimum time, duration and level of borrowing required. The capital financing requirement is explained in the glossary in section 8.2.

1.1 Narrative Statement (continued)

Future Capital Programme Funding Requirement	£m
Capital Grants, Reserves & Contributions - Known	£313.341m
Unsecured Capital Grants, Reserves & Contributions - Assumed	£31.747m
Capital Receipts	£55.511m
Borrowing Requirement	£340.665m
Total	£741.264m

1.1i. Pensions

The council makes contributions on behalf of its employees to the Staffordshire Local Government Pension Scheme in addition to those made by individual employees. The scheme is funded, which means that money is invested to provide an additional return to help cover both the current and future costs of the scheme. The level of contribution made by the council is determined by the extent to which the current and future costs can be met by these investments.

The fund has seen an increase in its net assets on the balance sheet since last year, creating a net pensions asset. This is because financial assumptions at 31 March 2025 were more favourable than they were at 31 March 2024. However accounting standards do not permit full disclosure of Net Pension Assets. Accounting Standards only allow an asset to be recognised as far as the employer can gain an economic benefit i.e. through a reduction in future contributions. This limit is known as the **Asset Ceiling**.

The asset ceiling calculation is to restrict the amount of net asset (relative to funding obligations) the Employer can disclose. This limitation on the asset often will create an additional liability because contributions may be required that would lead to or increase an irrecoverable surplus.

This has resulted in the pensions net assets on the city council's balance sheet of £471.404m being restricted to a liability of £121.849m (restated 2023/24 net asset of £308.115m restricted to Pension liability of £132.020m). This amount is also reported in the Comprehensive Income and Expenditure Account but, as per statutory guidelines, does not impact on the calculation of the Council Tax charged to tax payers. For additional information see note 4.2.19. and note 4.2.3 for prior year adjustments.

1.1 Narrative Statement (continued)

1.1j. Reserves - General Fund

The council's reserves consist of usable and unusable reserves. The Movement in Reserves Statement (note 3.3 of the accounts) shows the split and movement of those reserves during the year.

The council maintains a level of balances and reserves in order to meet any future unforeseen expenditure that may arise and for any planned future expenditure. These balances are held in the form of a general contingency, such as the General Fund reserve, or for a specific purpose in the form of an earmarked reserve.

National commentators recommend that councils hold a General Fund Reserve of at least 5% of net revenue expenditure. The General Fund Reserve was increased to this recommended level in 2023/24 to improve financial resilience.

General Fund Reserves	General Reserve	Earmarked Reserves	Usable Capital Receipts	Unapplied Capital Grants
	£000	£000	£000	£000
Opening Balance (1 April 2024)	14,800	53,814	25,144	50,850
Contributions / Use 2024/25	-	(14,045)	2,898	19,265
Closing Balance (31 March 2025)	14,800	39,769	28,042	70,115

The Council has a strategy to maintain a reasonable level of reserves to satisfy short to medium term known liabilities and a working balance to cushion the impact of unexpected events, cash flows or emergencies, including emerging risks such as the uncertainty of funding after 2025/26, rising inflation rates; and internal risks including increased commercial activity, and the challenges faced by all councils relating to increasing demand for services like social care.

Earmarked reserves are a means of building up funds to meet known, future or potential future requirements. A number of earmarked reserves have also been set up over time for specific purposes and are maintained at a level that is estimated to meet future planned expenditure in full. The economy and financial challenges facing the city council have increased the focus and necessity of these funds. The council holds £39.8 million of earmarked reserves, in the main due to the PFI funding arrangements with central government, balances held for self-insurance purposes, school balances and revenue grants, such as the Public Health grant, that are ringfenced. The council has also set aside money in a reserve for known risks, and a further reserve to support its strategic transformation which helps support the financial resilience of the council. The movement during the year is shown in the above table. A further breakdown is shown in note 4.2.9 of these accounts.

The city council also holds £98.1million in usable capital receipts and capital grants to finance future planned capital expenditure.

1.1 Narrative Statement (continued)

Reserves - Housing Revenue Account

The HRA's financial strategy includes a determination that a prudent level of the HRA reserves is a minimum of circa £4.5 million, having regard for the inherent levels of future financial risk and uncertainty. In 2024/25 the balance of the HRA general fund reserves is at £9.9 million.

HRA reserves are held mainly to cover the cost of the planned major capital investment programme and debt repayment.

HRA Reserves	General Reserves (Revenue) £'000	Earmarked Reserves (Revenue) £'000	Earmarked Reserves (Capital) £'000	Unapplied Capital Receipts £'000	Unapplied Capital Grants £'000	Total £'000
Opening Balance (1 April 2024)	(8,154)	(245)	(19)	(15,943)	(2,285)	(26,647)
Contributions / Use 2024/25	-	(1,637)	(4,089)	(1,599)	(2,549)	(9,874)
Closing Balance (31 March 2025)	(8,154)	(1,882)	(4,108)	(17,542)	(4,834)	(36,521)

1.1 Narrative Statement (continued)

1.1I. Explanation of the Financial Statements

The Accounts and Audit (England) Regulations 2015 require the council to produce a Statement of Accounts for each financial year. These Statements are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
 The statements contain a number of different elements which are explained below.

1.1I(i) Comprehensive Income and Expenditure Statement - Authority

This statement reflects the sum of all income, expenditure, gains and losses incurred by the council in the last 12 months and explains how the balance sheet position has changed between the two financial years. This statement shows the council's financial position in accordance with accounting practice and includes unbudgeted notional charges for items such as depreciation, impairment, capital grants and capital charges.

More details of the authority Comprehensive Income and Expenditure Statement are shown in Note 3.1.

2023/24 Restated				2024/25			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
786,343	(497,520)	288,823	Net Cost of Services		802,909	(503,115)	299,795
		(3,102)	Other Operating Expenditure	4.2.6b			(2,412)
		57,862	Financing and Investment Income and Expenditure	4.2.6c			31,450
		(290,009)	Taxation and Non-Specific Grant Income	4.2.6d			(344,466)
		53,574	(Surplus)/Deficit on Provision of Services				(15,633)
		(53,626)	Other Comprehensive Income and Expenditure				(63,455)
		(52)	Total Comprehensive Income and Expenditure				(79,088)

Reconciliation of the final outturn to the CIES		Net £000
	Note	
Total Net Outturn		-
Services' Use of Earmarked Reserves		12,407
Expenditure chargeable to HRA and GF balances	3.3/4.2.5	12,407
Adjustments between funding and accounting basis	3.3	(28,040)
Deficit on the Provision of Services	3.1	(15,633)

1.1 Narrative Statement (continued)

Comprehensive Income and Expenditure Statement - Group

More details of the authority Comprehensive Income and Expenditure Statement are shown in Note 7.2.

2023/24 Restated				2024/25			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
792,825	(505,483)	287,342	Net Cost of Services		814,506	(512,293)	302,214
-	-	(2,704)	Other Operating Expenditure		-	-	(2,014)
-	-	58,515	Financing and Investment Income and Expenditure		-	-	32,739
-	-	(290,009)	Taxation and Non-Specific Grant Income		-	-	(344,466)
-	-	53,144	(Surplus)/Deficit on Provision of Services		-	-	(11,527)
-	-	(70,080)	Other Comprehensive Income and Expenditure		-	-	(49,954)
-	-	(16,936)	Total Comprehensive Income and Expenditure		-	-	(61,481)

1.1 Narrative Statement (continued)

1.1I(ii) Balance Sheet

This shows the value of the council's asset and liabilities at the balance sheet date. These are matched by reserves which are split into two categories usable and unusable reserves. Unusable reserves are not available to use support services and are in the main used to hold unrealised gains and losses, where the actual gain or loss will only become available once another event has occurred.

More detail of the authority balance sheet and group balance sheet is shown in Note 3.2 and Note 7.3 respectively.

City Council 31 March 2024 £000 Restated	Group 31 March 2024 £000 Restated		City Council 31 March 2025 £000	Group 31 March 2025 £000
		Note		
1,673,226	1,674,983	Long Term Assets	1,752,648	1,749,389
116,824	120,948	Current Assets	133,660	148,305
(239,140)	(242,619)	Current Liabilities	(189,619)	(194,033)
(803,580)	(805,799)	Long Term Liabilities	(869,676)	(869,676)
747,330	747,513	Net Assets	827,013	833,984
747,330	747,513	Total Reserves	827,013	833,984

1.1 Narrative Statement (continued)

1.1I(iii) Movement in Reserves Statement - Authority

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' and unusable reserves. The '(surplus)/deficit on the provision of services' line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The 'Net increase/decrease before transfers to earmarked reserves' line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

More detail is shown in note 3.3

Authority - Movement in Reserves Statement 2024/25	General Fund Balance £000	General Fund Earmarked Reserves £000	Housing Revenue Account £000	HRA Earmarked Reserves £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2024	14,800	53,814	8,155	245	19	25,144	50,850	153,026	594,305	747,331
Increase/(Decrease) in Year	(14,045)	-	1,637	-	3,767	2,898	19,587	13,844	65,838	79,682
Transfers to(from) Earmarked Reserves	14,045	(14,045)	(1,637)	5,632	(3,674)	-	(321)	-	-	-
Balance at 31 March 2025	14,800	39,769	8,155	5,877	112	28,042	70,116	166,870	660,143	827,013

1.1 Narrative Statement (continued)

Movement in Reserves Statement - Group

More detail is shown in note 7.4

Group - Movement in Reserves Statement 2024/25	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Total Group Reserves £000
Balance at 31 March 2024	68,614	8,400	19	25,144	50,850	153,026	594,305	747,331	182	747,513
Increase/(Decrease) in Year	(14,045)	5,632	93	2,898	19,266	13,844	65,838	79,682	6,789	86,471
Balance at 31 March 2025	54,569	14,032	112	28,042	70,116	166,870	660,143	827,013	6,971	833,984

1.1 Narrative Statement (continued)

1.1I(iv) Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as: operating, investing and financing activities.

- Operating activities are a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority.
- Investing activities represent cash outflows that have been made for resources which are intended to contribute to the authority's future service delivery.
- Financing activities are useful in predicting claims on future cash flows by providers of capital to the authority.

More detail is shown in Note 3.4.

Authority 2023/24 £000	Group 2023/24 £000		Note	Authority 2024/25 £000	Group 2024/25 £000
(53,574)	(53,144)	Net surplus/(deficit) on the provision of services		15,633	11,527
(38,240)	(36,913)	Net Cash Flows from Operating Activities		11,740	11,992
(57,768)	(57,768)	Net Cash Flows from Investing Activities		(15,261)	(15,261)
96,459	96,562	Net Cash Flows from Financing Activities		6,891	6,891
451	1,881	Net (increase) or decrease in cash and cash equivalents		3,370	3,622
28,989	30,838	Cash and Cash Equivalents at the beginning of the reporting period		29,440	32,719
29,440	32,719	Cash and Cash Equivalents at the end of the reporting period		32,810	36,341

1.1 Narrative Statement (continued)

1.1I(v) Housing Revenue Account

This shows the in-year economic cost of providing housing services in accordance with accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Statement.

More detail is shown in Note 5.1

2023/24 £000	2024/25 £000
(66,004) Total Expenditure	(70,605)
(8,340) Revaluation of assets	(14,039)
74,250 Total Income	82,984
- HRA services' share of Corporate and Democratic Core	(379)
(94) Net Cost for HRA Services	(2,040)
(8,451) HRA share of the operating Income and Expenditure included in the CIES	849
(8,545) Surplus or (Deficit) for the year on HRA services	(1,191)

1.1 Narrative Statement (continued)

1.1I(vi) Collection Fund

The Local Government Finance Act 1988 required the establishment of a Collection Fund from 1st April 1990. The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and business rates. Monies paid into this fund include Council Tax and Business Rates. Payments from the Fund include the General Fund demands of the city council, demands from precepting authorities and transfer of the locally collected business rates to Central Government.

More detail is shown in Note 6.1.

Business Rates 2023/24 £000	Council Tax 2023/24 £000	Total 2023/24 £000		Notes	Business Rates 2024/25 £000	Council Tax 2024/25 £000	Total 2024/25 £000
79,298	127,970	207,268	Income		87,226	135,503	222,729
(4,148)	1,271	(2,877)	Charges to the Collection Fund		3,240	(2,021)	1,219
75,150	129,241	204,391	Balance due for allocation		90,466	133,482	223,948
(88,438)	(125,490)	(213,928)	Precepts, Demands and Shares		(90,264)	(135,794)	(226,058)
(13,288)	3,751	(9,537)	Surplus/(Deficit) for the Year		202	(2,312)	(2,110)
11,569	3,480	15,049	Balance at the Beginning of the Year		(16,588)	5,145	(11,443)
(14,868)	(2,086)	(16,954)	Allocation of Previous Years Surplus/(Deficit)		16,221	(6,671)	9,550
(16,587)	5,145	(11,442)	Balance at the End of the Year		(165)	(3,838)	(4,003)

The impact of the pandemic on collection fund and recovery of the associated deficit was split over a three year period to 2023/24 . The remaining deficit results from the 2023 revaluations list which caused a large increase in appeals. The majority of these claims have now been settled, so the council is able to release some of the appeals provision and carry forward a small deficit.

1.1 Narrative Statement (continued)

1.1m. Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptional hard work and dedication of staff across the council. I would like to express my gratitude to all colleagues who have assisted in the preparation of this document. I would also like to thank them for all their support and expertise during the financial year.

These accounts, the Annual Governance Statement and sources of financial information are available on the city council's website at **stoke.gov.uk**. Comments on these accounts are welcomed and can be made through the website or the contact options shown below.



Nick Edmonds
Corporate Director Resources (Section 151 Officer)
Date: 30 June 2025

Further information about the accounts is available from:

Stoke-on-Trent City Council
Financial Services Division
Civic Centre, Glebe Street
Stoke-on-Trent
ST4 1HH
Telephone: 01782 238 510
E-mail: finance.systems@stoke.gov.uk

2.0 Statements to the Accounts



2.1 Independent Auditor's Report to the Members of Stoke-on-Trent City Council

2.2 Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Section 151 Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Section 151 Officer Responsibilities

The Section 151 Officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Section 151 Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

2.2 Statement of Responsibilities for the Statement of Accounts (continued)

Certificate of Section 151 Officer

I certify that this statement of accounts gives a true and fair view of the financial position as at 31 March 2025, financial performance and cash flow of the City Council for the year ended 31 March 2025.



Nick Edmonds
Corporate Director Resources (Section 151 Officer)
Date 30 June 2025

Approval of Statement of Accounts

Following the delegation of responsibility by the City Council to the Section 151 Officer, I confirm that the pre-audit accounts were signed on 30 June 2025



Nick Edmonds
Corporate Director Resources (Section 151 Officer)
Date 30 June 2025

3.0 Core Financial Statements



3.1 Comprehensive Income and Expenditure Statement

2023/24				2024/25			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
142,865	(34,959)	107,906	Children and Families		144,699	(20,248)	124,451
199,468	(127,133)	72,335	Adult Social Care and All-Age Commissioning, and, Public Heath, Protection and Wellbeing		201,175	(125,474)	75,701
102,193	(47,180)	55,013	Housing, Regeneration and Operations		84,312	(35,891)	-
79,502	(39,624)	39,878	Resources		74,017	(35,156)	38,861
16,537	- 9,603	6,934	Chief Executive's		17,176	(10,535)	6,641
76,681	(76,587)	94	Housing Revenue Account	5.1	85,024	(82,984)	2,040
97,210	(94,822)	2,388	Schools		129,375	(122,280)	-
1,722	-	1,722	Civic and Corporate Expenses		1,122	(126)	7,095
69,404	(66,607)	2,797	Benefit Payments		71,488	(68,605)	997
(3,299)	(1,005)	(4,304)	Non Departmental Costs		(6,451)	(1,816)	2,883
4,060		4,060	- Redundancy/Actuarial Strain		973		(8,267)
786,343	(497,520)	288,823	Net Cost of Services		802,909	(503,115)	973
		(3,102)	Other Operating Expenditure	4.2.6b			(2,412)
		57,862	Financing and Investment Income and Expenditure	4.2.6b			31,450
		(290,009)	Taxation and Non-specific Grant Income	4.2.6b			(344,466)
		53,574	(Surplus)/Deficit on Provision of Services				(15,633)

3.1 Comprehensive Income and Expenditure Statement (continued)

2023/24		2024/25	
	Net Expenditure £000		Net Expenditure £000
	Continuing Service Areas	Note	
	53,574 (Surplus)/Deficit on Provision of Services		(15,633)
(58,246)	(Surplus)/deficit on revaluation of non-current assets	4.2.10b	(56,414)
-	Impairment losses on non-current assets charged to revaluation reserves	4.2.10b	-
-	(Surplus)/deficit from investments in equity instruments designated at fair value through other comprehensive income	4.2.10f	-
4,620	Remeasurements on pension fund (assets) & liabilities	4.2.19c	(7,041)
(53,626)	Other Comprehensive Income and Expenditure		(63,455)
(52)	Total Comprehensive Income and Expenditure		(79,088)

3.2 Balance Sheet

31 March 2023 £000	31 March 2024 Restated £000		Note	31 March 2025 £000
1,432,099	1,492,000	Property, Plant and Equipment	4.2.11a	1,567,388
		Right of Use Assets	4.2.11j	788
66,057	66,497	Heritage Assets	4.2.11e(i)	67,285
44,451	40,188	Investment Property	4.2.11f	41,736
6,765	8,329	Intangible Assets	4.2.11e(ii)	9,291
20,702	15,728	Long Term Investments	4.2.14d(iv)	15,728
50,671	50,484	Long Term Debtors	4.2.21a	50,432
-		Net Pensions Asset	4.2.19e	-
1,620,745	1,673,226	Long Term Assets		1,752,648
-	-	Pension Contribution Debtor		-
2	-	Short Term Investments		-
1,831	-	Assets Held For Sale		-
797	664	Stocks		645
69,934	86,720	Short Term Debtors	4.2.21b	100,205
28,987	29,440	Cash and Cash Equivalents	4.2.14a	32,810
101,551	116,824	Current Assets		133,660
(48,458)	(121,731)	Short Term Borrowing	4.2.14b	(46,406)
(10,389)	(11,988)	Other Short Term Liabilities	4.2.14b	(14,421)
(99,157)	(97,524)	Short Term Creditors	4.2.21c	(116,813)
(8,757)	(2,178)	Grants Receipts in Advance	4.2.16c	(9,950)
(3,221)	(5,719)	Provisions	4.2.15	(2,029)
(169,982)	(239,140)	Current Liabilities		(189,619)
(6,194)	(6,290)	Provisions	4.2.15	(6,590)
(575,392)	(602,042)	Long Term Borrowing	4.2.14b	(689,995)
(69,256)	(63,228)	Other Long Term Liabilities	4.2.14b	(51,242)
(154,210)	(132,020)	Net Pensions Liabilities	4.2.19e	(121,849)
(805,052)	(803,580)	Long Term Liabilities		(869,676)
747,262	747,330	Net Assets		827,013

3.2 Balance Sheet (continued)

31 March 2023 £000	31 March 2024 £000		Note	31 March 2025 £000
11,903	14,800	General Fund Balance	3.3	14,800
59,164	53,814	Earmarked Reserves - General Fund	4.2.9a	39,769
16,405	25,144	Usable Capital Receipts Reserve	4.2.9c	28,042
5,768	8,155	Housing Revenue Account Balance	5.2	8,155
417	245	Earmarked Reserves - HRA	4.2.9b	5,877
15	18	Major Repairs Reserve	5.3.2a	112
50,556	50,850	Capital Grants Unapplied	4.2.9d	70,116
144,228	153,025	Usable Reserves		166,870
383,517	359,400	Capital Adjustment Account	4.2.10a	364,511
381,244	402,024	Revaluation Reserve	4.2.10b	445,958
8,512	(3,587)	Collection Fund Adjustment Account	6.1	(3,081)
(154,210)	(147,939)	Pensions Reserve (Deficit)	4.2.10c	(129,737)
(3,848)	(3,339)	Accumulated Absences Account	4.2.10e(i)	(3,884)
(2,571)	(2,421)	Financial Instruments Adjustment Account	4.2.10e(ii)	(2,257)
5,782	5,782	Financial Instruments Revaluation Reserve	4.2.10f	5,782
(21,202)	(21,202)	Dedicated Schools Grant Adjustment Account	4.2.10g	(22,430)
5,810	5,587	Deferred Capital Receipts Reserve	4.2.10d	5,281
603,034	594,305	Unusable Reserves		660,143
747,262	747,330	Total Reserves		827,013

Nick Edmonds

Nick Edmonds S151 Officer 30 June 2025

3.3 Movement in Reserves Statement

2024/25	Note	General Fund Balance £000	General Fund Earmarked Reserves £000	Housing Revenue Account £000	HRA Earmarked Reserves £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2024		14,800	53,814	8,155	245	19	25,144	50,850	153,026	594,305	747,331
Total Comprehensive Income and Expenditure	3.1	16,824	-	(1,191)	-	-	-	-	15,633	63,455	79,088
Other Adjustments							(5)	440	435	159	594
Adjustments between accounting basis and funding basis under regulations	4.2.8	(30,869)	-	2,828	-	3,767	2,903	19,147	(2,224)	2,224	-
Increase/ (Decrease) in Year		(14,045)	-	1,637	-	3,767	2,898	19,587	13,844	65,838	79,682
Transfers to/ (from) Earmarked Reserves	4.2.9	14,045	(14,045)	(1,637)	5,632	(3,674)	-	(321)	-	-	-
Balance at 31 March 2025		14,800	39,769	8,155	5,877	112	28,042	70,116	166,870	660,143	827,013

3.3 Movement in Reserves Statement (continued)

2023/24	Note	General Fund Balance £000	General Fund Earmarked Reserves £000	Housing Revenue Account £000	HRA Earmarked Reserves £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2023		11,903	59,164	5,768	417	16	16,405	50,556	144,229	603,033	747,262
Total Comprehensive Income and Expenditure other adjustments	3.1	(45,029)	-	(8,545)	-	-	-	-	(53,574)	53,626	52
Adjustments between accounting basis and funding basis under regulations				(1)				(66)	67	83	16
Adjustments between accounting basis and funding basis under regulations	4.2.8	42,576	-	10,761	-	3	8,739	360	62,438	(62,438)	-
Increase/ (Decrease) in Year		(2,453)	-	2,215	-	3	8,739	294	8,797	(8,728)	69
Transfers to/ (from) Earmarked Reserves	4.2.9	5,350	(5,350)	172	(172)	-	-	-	-	-	-
Balance at 31 March 2023 Restated		14,800	53,814	8,155	245	19	25,144	50,850	153,026	594,305	747,331

3.4 Cash Flow Statement

2023/24 £000		Note	2024/25 £000
(53,574)	Net surplus/(deficit) on the provision of services	3.1	15,633
68,994	Adjustments to net surplus or deficit on the provision of services for non-cash movements	4.2.24ai	70,830
(53,660)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	4.2.24a	(74,723)
(38,240)	Net Cash Flows from Operating Activities		11,740
(57,768)	Net Cash Flows from Investing Activities	4.2.24b	(15,261)
96,459	Net Cash Flows from Financing Activities	4.2.24c	6,891
451	Net Increase or decrease in Cash and Cash Equivalents		3,370
28,989	Cash and Cash Equivalents at the beginning of the reporting period		29,440
29,440	Cash and Cash Equivalents at the end of the reporting period		32,810

4.0 Explanatory Notes



4.1 Index of Explanatory Notes to the Core Financial Statements

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4.2.1 Accounting Standards that have been issued but not yet adopted

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of new or amended standards within the 2025/26 Code.

For adoption in 2025/26 the following accounting standard changes and their impact on the Council are shown below.

Accounting Standard	Change
Valuation Arrangements for Property, Plant and Equipment	From 1 April 2025, the Accounting Code will change the arrangements for the valuation of Property, Plant and Equipment. For 2024/25, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices.
Removal of the requirement to measure Intangible Assets at fair value where an active market exists	From 1 April 2025, the Accounting Code will remove the requirement to measure Intangible Assets at fair value where there is an active market for the particular asset. The measurement basis for all Intangible Assets will be amortised historical cost. At 31 March 2025, the Council's Balance Sheet contains Intangible assets valued at £9.2m. On 1 April 2025, the carrying amount of the assets will be reduced , with the difference being written off against the valuation gains accumulated in the Revaluation Reserve.
IFRS 17 Insurance Contracts	No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of indexation will be.
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability. Special provisions for entities that are required by IAS 21 to translate foreign currency transactions but the currency is not exchangeable (eg, because of government exchange controls)

None of these amendments are anticipated to have a material impact on the Council's financial performance and financial position.

4.2.2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. Some of the key critical judgements made in the Statement of Accounts are:

Going Concern

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Local authorities carry out functions essential to the local community and are themselves revenue raising bodies (with limits on their revenue raising powers, arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus, that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis. The council's accounts are therefore produced under the Code and assume that the council's services will continue to operate 12 months from the final certification of these statements.

Asset Base

There is a high degree of uncertainty about future levels of funding for local government. The authority reviews its asset base and at the balance sheet date has judged that this uncertainty is not yet sufficient to provide an indication that material assets of the authority might be impaired as a result of a need to permanently close facilities and reduce levels of service provision. Where an asset is no longer judged to be required to provide a service it is declared surplus ultimately resulting in its disposal or transfer.

PFI Schemes

The authority has judged that it controls the services provided under the outsourced agreements to rebuild, maintain, upgrade and provide services to its schools; to provide street lighting services; to provide and maintain a multi-service district centre on the Devonshire Square site in Bentilee; and to provide extra care housing at sites based at Westcliffe, Abbey Hulton and Blurton.

The authority has also concluded that it controls the residual value of assets used in these arrangements at the end of the agreements. The accounting policies for PFI schemes and similar contracts have been applied to these arrangements and the assets are recognised as Property, Plant and Equipment on the authority's balance sheet.

4.2.2 Critical Judgements in Applying Accounting Policies (continued)

Schools

IFRS 10 control criteria in respect of local authority maintained schools specifies that 'the balance of control lies with local authorities for all maintained schools'. For Voluntary Aided/Controlled schools the authority conducts an annual assessment to ensure that material transactions are recognised and consolidated into the Council's Single Entity Primary Statement of Accounts.

The city council's schools are run under a number of arrangements including Local Authority, Foundation schools and Church Schools. For Foundation and Church Schools as they form part of the PFI contract for which the city council controls the delivery of services provided; in applying IFRIC 12 Service Concession Arrangements the city council has judged that assets are used to provide public services in the service concession arrangement and are consequently recognised on the balance sheet.

For Academy Schools it is the city council's judgement that the council has no control over Academy schools, therefore the assets and liabilities are not consolidated into the city council's balance sheet. At the point of the Academy transfer notification the non-current assets are derecognised. Where the city council is the owner, the land, being on a short term lease is retained on the city council's balance sheet.

Asset Valuation

The 2014/15 Code of Practice clarified the requirements for valuing property, plant and equipment and now states explicitly that revaluations must be 'sufficiently regular to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period'. In order to be satisfied that the value of assets in the balance sheet is not materially different from the amount that would be given by a full valuation carried out on 31 March 2025, the council has created sub-groups of assets that are subject to either a formal valuation at the year end or a professional valuation assessment. For assets not valued in the year, the council has judged that their value has not altered materially at the balance sheet date. This judgement is supported by a year-end market review provided by the Council's qualified valuer that provides assurance that valuation are materially correct at the balance sheet date.

4.2.3 Prior Period Adjustments

The following changes have been made to the core statements, Statement of Accounts 2023/24, opening balances and all associated notes in 2023/24 an advance payment was made by the council to reduce the pension fund liability. This advance payment was disclosed as Payment in Advance Debtor on the balance sheet ,instead of netting it off the Pensions Liability. This adjustment is to reclassify the advance payment to Net pensions liabilities from current assets. There is no effect on Comprehensive Income and Expenditure statement, Movement in Reserves statement or Cash flow statement. All associated notes to the accounts have been updated accordingly.

Effect on Balance Sheet at 31 March 2024 (section 3.2)

		2023/24 Published £000	2023/24 Restated £000	Adjustment £000
<i>Pension Contribution Debtor</i>	note 4.2.19e	15,919	0	(15,919)
Current Assets		132,743	116,824	(15,919)
<i>Net Pensions Liabilities</i>	note 4.2.19e	(147,939)	(132,020)	15,919
Long Term Liabilities		(819,499)	(803,580)	15,919
Net Assets		747,330	747,330	0
<i>Pensions Reserve (Deficit)</i>	note 4.2.10c	(147,939)	(147,939)	0
Unusable Reserves		(819,499)	(819,499)	0
Total Reserves		747,330	747,330	0

4.2.4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

Pensions Assets/Liability

Estimation of the net asset/liability of pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The transactions in the accounts represent the best estimate of pension assets and liabilities reflecting the uncertainty inherent in the estimations and are determined by a firm of professional actuaries engaged to provide the Authority with this information.

The effect of the net pensions liability of changes in individual assumptions can be measured. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out in note 4.2.19j.

PFI and Similar Contracts

As at 31 March 2025 the Authority has committed to making unitary payments of £119.098m over the remaining lives of the PFI and similar contracts schemes (see note 4.2.13). The contract payments are subject to inflationary increases, based on factors such as energy prices and various other contract variations that may arise after this date. In the current economic climate particularly with respect to energy prices, the value of future unitary payments may be higher than currently anticipated.

If inflationary factors were to increase by 0.5% on all PFI schemes, an additional £1.294m would need to be set aside to meet future commitments, If inflationary factors were to decrease by 0.5% on all PFI schemes, future commitments would be £0.905m lower.

Arrears

At 31 March 2025 the council has gross short term debtors' balance of £127.482m. A review of debtor balances has been undertaken and a debtors' impairment figure of £27.277m has been set aside in the accounts. This impairment allowance based on past patterns and future assumptions of collection. Should economic factors mean the impairment allowance is insufficient then any excess debt that proves uncollectable will result in a charge to the CIES. The cost may ultimately fall to the General Fund, HRA Balance or the Collection Fund Adjustment Account, depending on the nature of the debt. Should an additional 5% of debts prove to be uncollectable (above the amount set aside) there would be a cost of £5.868m to the council.

4.2.4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (continued)

Business Rate Appeals

The 2024/25 Accounts include estimates of the potential costs that may arise as a result of appeals lodged against non-domestic rate charges by local organisations. A gross provision of £3.627m has been set aside based on details of outstanding claims provided by the valuation office agency, analysis of historical trends in appeal outcomes and local knowledge. The city council share of this provision is 49% (£1.777m). Should the actual outcomes from these appeals result in higher or lower costs then there would be a corresponding increase or decrease in the collection fund deficit charges to the taxation and non-specific grant income line of the CIES. The deterioration would be recorded against the Collection Fund Adjustment Account for one year before being transferred to the General Fund the next. A 10% increase in cost from appeals would reduce net income by £0.178m.

Property Valuations

The council revalues its assets with sufficient regularity to ensure the value at the balance sheet date is materially correct. Where there is evidence of such movements, further valuations will be undertaken. The council bases its valuation on assumptions of asset conditions, useful lives, residual values and market conditions. These judgements are underpinned by the best available information and are made by qualified valuers but are still based on estimates. A 1.0% fluctuation in council dwellings and other land and buildings values would amount to a £15.7m movement in Property, Plant and Equipment balance shown on the balance sheet.

4.2.5 Expenditure and Funding Analysis (continued)

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority for the year has been used in providing services in comparison with those resources consumed. The impact on reserves can be seen at section 3.3.

2024/25	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Children and Families	Adult Social Care and All Age Commissioning and, Public Health, Protection and Wellbeing	Housing, Regeneration and Operations	Resources	Chief Executive's	Housing Revenue Account	Schools	Non Departmental Costs, Benefits Payments and Civic and Corporate	Other Income and Expenditure	Expenditure Chargeable to GF/HRA Balances	Accounting Adjustments	Net Expenditure in the CIES
Income												
Fees, charges and service income	(15,845)	(70,124)	(29,583)	(32,740)	(5,645)	(87,351)	(2,752)	(104,031)	-	(348,071)	40,722	(307,349)
Interest and investment income	-	-	(27)	-	-	(2,999)	-	(12,260)	-	(15,286)	-	(15,286)
Council tax and business rates	-	-	-	-	-	-	-	-	(188,053)	(188,053)	-	(188,053)
Govt' grants and contributions	(21,820)	(57,324)	(22,018)	(13,519)	(5,623)	(186)	(201,969)	(69,257)	(89,291)	(481,007)	-	(481,007)
Expenditure												-
Employee benefits expenses	57,850	38,629	32,939	32,653	10,843	8,359	22,005	6,433	-	209,711	546	210,257
Other service expenses	98,397	164,752	56,589	52,911	5,561	61,990	184,469	122,953	(1,042)	746,580	(52,748)	693,832
Depn, amortisation and impairment	2,829	2,782	23,475	5,121	2,082	20,989	12,280	28,760	-	98,318	(16,561)	81,757
Interest payments	-	-	-	-	-	-	-	26,210	-	26,210	-	26,210
Precepts and levies	-	-	-	-	-	-	-	82	-	82	-	82
Payments to housing capital receipts pool	-	-	-	-	-	-	-	-	-	-	-	-
Gain or loss on disposal						(1,467)		622	-	(845)	-	(845)
Internal recharges	(1,472)	(1,053)	(14,504)	(10,699)	(328)	(972)	(1,915)	(4,287)	-	(35,230)	-	(35,230)
Expenditure chargeable to the GF and HRA balances	119,939	77,662	46,871	33,727	6,890	(1,637)	12,118	(4,775)	(278,386)	12,409	(28,041)	(15,632)
Accounting adjustments	4,512	(1,961)	1,550	5,134	(249)	3,677	(5,023)	1,361	(37,042)	(28,042)		
(Surplus) or Deficit	124,451	75,701	48,421	38,861	6,641	2,040	7,095	(3,414)	(315,428)	(15,633)		3.1
Opening General Fund and HRA Balance at 31 March 2024										77,014		
Plus chargeable to General Fund and HRA balance in 2024/25										(12,409)		
3.3										64,605		

4.2.5 Expenditure and Funding Analysis (continued)

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority for the year has been used in providing services in comparison with those resources, consumed. The impact on reserves can be seen at section 3.3.

2023/24	Children and Family Services £000	Social Care, Health, Integration and Wellbeing £000	Housing, Development and Growth £000	Strategy and Resources £000	City Director £000	Housing Revenue Account £000	Schools £000	Non Departmental Costs, Benefits Payments and Civic and Corporate £000	Other Income and Expenditure £000	Expenditure Chargeable to GF/HRA Balances £000	Accounting Adjustments £000	Net Expenditure in the CIES £000
Income												
Fees, charges and service income	(16,117)	(63,748)	(27,514)	(28,422)	(6,779)	(74,574)	(4,250)	(89,756)	4,974	(306,186)	49,903	(256,283)
Interest and investment income	-	-	(58)	-	-	(2,696)	-	(8,717)	-	(11,471)		(11,471)
Council tax and business rates	-	-	-	-	-	-	-	-	(172,302)	(172,302)		(172,302)
Govt' grants and contributions	(20,547)	(62,999)	(13,754)	(11,941)	(2,824)	(65)	(182,339)	(66,637)	(77,409)	(438,515)	30	(438,485)
Expenditure												-
Employee benefits expenses	49,894	33,862	23,456	23,554	8,898	6,916	26,249	(2,627)		170,202	(513)	169,689
Other service expenses	90,782	163,322	47,841	44,615	4,860	49,746	159,513	113,226	(140)	673,765	(34,534)	639,231
Depn, amortisation and impairment	2,189	2,282	31,177	11,181	2,783	16,283	33,457	(26,353)		72,999	38,450	111,449
Interest payments	-	-	-	-	-	-	4	25,551		25,555		25,555
Precepts and levies	-	-	-	-	-	-	-	79		79		79
Payments to housing capital receipts pool	-	-	-	-	-	-	-	-		-		-
Gain or loss on disposal						2,004		(8,416)		(6,412)		(6,412)
Internal recharges		(669)	(5,912)	(271)	(4)	-	(620)	-		(7,476)		(7,476)
Expenditure chargeable to the GF and HRA balances	106,201	72,050	55,236	38,716	6,934	(2,386)	32,014	(63,650)	(244,877)	238	53,336	53,574
Accounting adjustments	1,705	285	(223)	1,161	-	2,480	(29,626)	67,926	9,628	53,336	4.2.6	
(Surplus) or Deficit	107,906	72,335	55,013	39,877	6,934	94	2,388	4,276	(235,249)	53,574		3.1
Opening General Fund and HRA Balance at 31 March 2023										77,252		
Plus chargeable to General Fund and HRA balance in 2023/24										(238)		
										77,014	3.3	

4.2.6 Notes to Income and Expenditure (continued)

b - Other Operating Expenditure

2023/24		2024/25
£000	Detail	Notes
686	Levies and external contributions	706
(1,438)	Loss/(gain) on disposal of non current assets	(836)
-	Payments to the Government housing capital receipts pool	
(2,350)	Other (income)/expenditure	(2,282)
(3,102)	Total	(2,412)

c - Financing and Investment Income & Expenditure

2023/24		2024/25
£000	Detail	Notes
29,005	Interest payable and similar charges	4.2.14c 30,524
6,560	Net interest on the net defined benefit liability	4.2.19c 6,196
(2,051)	Interest and investment income	4.2.14c (4,661)
29,625	Derecognition of school assets transferred to academies - non current assets	5,023
(2,849)	Income and expenditure in relation to investment properties and changes in fair value	4.2.11f (2,973)
(2,428)	Other investment income	4.2.14c (2,659)
57,862	Total	31,450

d - Taxation and Non-specific Grant Income

2023/24		2024/25
£000	Detail	Notes
(103,909)	Council tax income	6.1 (103,720)
(68,710)	Non domestic rates	(84,333)
(80,092)	Non-specific government grants	4.2.16b (89,816)
(37,298)	Capital grants and contributions	4.2.16b (66,597)
(290,009)	Total	(344,466)

4.2.7 Exceptional Items in the CIES

There are no exceptional items to report in the CIES

4.2.8 Adjustments between Accounting basis and funding basis under regulations

2024/25		General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Reserve	Movement in Unusable Reserve
Adjustments Primarily Involving		£000	£000	£000	£000	£000	£000
Notes							
Capital Adjustment Account							
<i>Reversal of items debited or credited to the CIES</i>							
Depreciation of Non-Current Assets	4.2.11h	(29,049)	(15,141)	-	-	-	44,190
Impairment of Non-Current Assets	4.2.11h	(3)	(3,765)	-	-	-	3,768
Revaluation losses on Property, Plant and Equipment		3,460	(14,039)	-	-	-	10,579
Movement in market value of Investment Property	4.2.11f			-	-	-	-
Amortisation of Intangible Assets	4.2.11h	(3,427)		-	-	-	3,427
Revenue Expenditure Funded from Capital Under Statute		(14,717)	(54)	-	-	-	14,771
Expected credit loss allowance (capital)	4.2.15			-	-	-	-
Carrying Amount of Non-Current Assets:							
- written off on disposal to the CIES		(6,682)	(5,618)	-	-	-	12,300
- finance leases written off on disposal to the CIES			-	-	-	-	-
- written off on derecognition to the CIES			-	-	-	-	-
Capital grants and contributions applied		29,805	3,387	-	-	-	(33,192)
Revenue Expenditure Funded from Capital Under Statute - Funding		9,659	-	-	-	-	(9,659)
Service concession deferred income write back		716	-				(716)
<i>Insertion of items not debited or credited to the CIES</i>							
MRP for Capital financing	4.2.12c	31,095	-				(31,095)
County council principal loan repayment	4.2.24d	1,829	-				(1,829)
HRA repayment of debt		-	-				-
Capital expenditure charged against Revenue		133	4,856				(4,989)
Capitalisation Direction Exceptional Financial Support(EFS)		(21,371)					21,371

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2024/25		General Fund £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Reserve £000	Movement in Unusable Reserve £000
Adjustments Primarily Involving	Notes						
Capital Grants Unapplied							
Capital grants credited to the CIES which are unapplied	4.2.9c	22,890	1,898	-	-	(24,788)	-
Transfer to/from revenue reserve		-	-	-	-	-	-
Transfer of grants applied to Capital Adjustment Account	4.2.9d	-	-	-	-	5,641	(5,641)
Financial Instruments Adjustment Account	4.2.10e(ii)	159	-	-	-	-	(159)
Pensions Reserve							
Reversal of items relating to retirement benefits debited or credited to the	4.2.19d	(26,213)	(1,896)	-	-	-	28,109
Employer's contributions and direct payments made in year to the pension fund		36,621	2,649	-	-	-	(39,270)
Collection Fund Adjustment Account - difference between amounts credited to the CIES and amounts to be recognised under statutory provisions relating to:							
- Council Tax	6.1	(4,581)	-		-		4,581
- Business Rates	6.1		-		-		-

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2024/25		General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Reserve	Movement in Unusable Reserve
Adjustments Primarily Involving	Notes	£000	£000	£000	£000	£000	£000
Accumulated Absences Account		(499)	(46)	-	-	-	545
Dedicated Schools Grant Adjustment Account	4.2.10g	-	-	-	-	-	-
Deferred Capital Receipts Reserve							
Transfer of deferred capital grants credited to the CIES	4.2.10d	-	-	-	-	-	-
Capital Receipts Reserve							
flexible use of capital receipts			(958)	958			-
Transfer of cash sale proceeds credited as part of gain/loss in disposal to the CIES	4.2.9c	1,043	7,084	(8,127)	-	-	-
Transfer of nominal sale proceeds credited as part of gain/loss in disposal to the CIES		-	-	-	-	-	-
Contribution from Capital Receipts Reserve to:							
- disposal costs	4.2.9c			-	-		-
- Government Capital Receipts Pool	4.2.9c	-		-	-		-
Repayment from long term debtors	4.2.9c	-	-	(306)	-		306
Use of capital receipts for transformation	4.2.9c			-	-		-
Use of capital receipts to finance capital expenditure	4.2.9c	-	-	4,572	-	-	(4,572)
Major Repairs Reserve							
Contribution for depreciation	5.3.2a	-	15,141	-	(15,141)		-
Voluntary contribution			3,674		(3,674)		-
Use of major repairs allowance to finance capital expenditure	5.3.2a	-	-	-	15,047	-	(15,047)
Total		30,869	(2,828)	(2,903)	(3,767)	(19,147)	(2,224)

4.2.8 Adjustments between Accounting basis and funding basis under regulations

2023/24		General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Reserve	Movement in Unusable Reserve
Adjustments Primarily Involving	Notes	£000	£000	£000	£000	£000	£000
Capital Adjustment Account							
<i>Reversal of items debited or credited to the CIES</i>							
Depreciation of Non-Current Assets	4.2.11h	(27,644)	(19,347)	-	-	-	46,991
Impairment of Non-Current Assets	4.2.11h	(167)	(288)	-	-	-	455
Revaluation losses on Property, Plant and Equipment		(8,724)	(8,340)	-	-	-	17,064
Movement in market value of Investment Property	4.2.11f			-	-	-	-
Amortisation of Intangible Assets	4.2.11h	(2,403)	(23)	-	-	-	2,426
Revenue Expenditure Funded from Capital Under Statute		(14,505)	(383)	-	-	-	14,888
Expected credit loss allowance (capital)	4.2.15		-	-	-	-	-
Carrying Amount of Non-Current Assets:							-
- written off on disposal to the CIES		(36,435)	(8,901)	-	-	-	45,336
- finance leases written off on disposal to the CIES			-	-	-	-	-
- written off on derecognition to the CIES		3,305	-	-	-	-	(3,305)
Capital grants and contributions applied		17,723	-	-	-	-	(17,723)
Revenue Expenditure Funded from Capital Under Statute - Fundin		6,558	-	-	-	-	(6,558)
<i>Service concession deferred income write back</i>		716	-				
Insertion of items not debited or credited to the CIES							-
MRP for Capital financing	4.2.12c	21,457	-				(21,457)
County council principal loan repayment	4.2.24d	1,829	-				(1,829)
HRA repayment of debt		-	1,120				(1,120)
Capital expenditure charged against Revenue		308	132				(440)
Capitalisation Direction Exceptional Financial Support(EFS)		(20,450)					20,450

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2023/24		General Fund £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Reserve £000	Movement in Unusable Reserve £000
Adjustments Primarily Involving	Notes						
Capital Grants Unapplied							
Capital grants credited to the CIES which are unapplied	4.2.9c	13,157	-	-	-	(13,157)	-
Transfer to/from revenue reserve		-	-	-	-	-	-
Transfer of grants applied to Capital Adjustment Account	4.2.9d	-	-	-	-	12,797	(12,797)
Financial Instruments Adjustment Account	4.2.10e(ii)	150	-	-	-	-	(150)
Pensions Reserve							
Reversal of items relating to retirement benefits debited or credited to the	4.2.19d	(27,098)	(1,018)	-	-	-	28,116
Employer's contributions and direct payments made in year to the pension fund		36,340	2,584	-	-	-	(38,924)
Collection Fund Adjustment Account - difference between amounts credited to the CIES and amounts to be recognised under statutory provisions relating to:							
- Council Tax	6.1	(14,591)	-	-	-		14,591
- Business Rates	6.1		-	-	-		-

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2023/24		General Fund £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Reserve £000	Movement in Unusable Reserve £000
Adjustments Primarily Involving	Notes						
Accumulated Absences Account		487	22	-	-	-	(509)
Dedicated Schools Grant Adjustment Account	4.2.10g	-	-	-	-	-	-
Deferred Capital Receipts Reserve							
Transfer of deferred capital grants credited to the CIES	4.2.10d	-	-	-	-	-	-
Capital Receipts Reserve							
flexible use of capital receipts			(1,466)	1,466			-
Transfer of cash sale proceeds credited as part of gain/loss in disposal to the CIES	4.2.9c	7,414	6,897	(14,311)	-	-	-
Transfer of nominal sale proceeds credited as part of gain/loss in c		-	-	-	-	-	-
Contribution from Capital Receipts Reserve to:							-
- disposal costs	4.2.9c	(3)		3	-		-
- Government Capital Receipts Pool	4.2.9c	-		-	-		-
Repayment from long term debtors	4.2.9c	-	-	(223)	-		223
Use of capital receipts for transformation	4.2.9c			-	-		-
Use of capital receipts to finance capital expenditure	4.2.9c	-	-	4,326	-	-	
Major Repairs Reserve							-
Contribution for depreciation	5.3.2a	-	19,370	-	(19,370)		-
Voluntary contribution			(1,120)		1,120		-
Use of major repairs allowance to finance capital expenditure	5.3.2a	-	-	-	18,246	-	
Total		(42,576)	(10,761)	(8,739)	(3)	(360)	62,438

4.2.9 Usable Reserves

a - Earmarked Reserves - General Fund

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25

Balance at 1 April 2023 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2024 £000	General Fund	Notes	Balance at 1 April 2024 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2025 £000
85	-	(20)	65	Support one off commitments		65	-	(48)	17
1,757	1,233	(1,081)	1,909	Other Departmental Reserves		1,909	426	(1,353)	982
3,385	-	-	3,385	Insurances		3,385	-	-	3,385
590	95	(33)	652	Partnerships		652	-	(102)	550
1,021	-	(1,021)	-	COVID-19		-	-	-	-
2,518	723	(1,129)	2,112	Other Grants		2,112	1,326	(438)	3,000
6,884	660	(5,092)	2,452	Better Care Fund c/fwd		2,452	144	(1,277)	1,319
3,743	1,398	(146)	4,995	Development Agreements		4,995	424	(1,280)	4,139
371	13	(166)	218	Other Reserves and Donations		218	7	(50)	175
1,802	43	(588)	1,257	School balances		1,257	-	(198)	1,059
21,282	318	(5,660)	15,940	Private Finance Initiative		15,940	100	(4,835)	11,205
6,649	2,179	-	8,828	DSG	4.2.16d	8,828	-	(8,828)	-
3,530	124	-	3,654	Public Health		3,654	-	(211)	3,443
5,547	1,500	(1,700)	5,347	Strategic Risk Reserve		5,347	3,189	-	8,536
-	3,000	-	3,000	Investment in Transformation		3,000		(1,041)	1,959
59,164	11,286	(16,636)	53,814	Total General Fund Earmarked Reserves	3.3	53,814	5,616	(19,661)	39,769

4.2.9 Usable Reserves (continued)

b - Earmarked Reserves - HRA

This note sets out the amounts set aside from the Housing Revenue Account (HRA) balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet HRA expenditure in 2024/25.

Balance at 1 April 2023 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2024 £000	HRA	Notes	Balance at 1 April 2024 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2025 £000
67	(67)		-	Housing Capital Reserve		-	(4,535)	8,530	3,995
49	(2)	47	94	HRA Sheltered Tenants		94	(3)	55	146
301	(150)		151	HRA Rent Reserve		151	(346)	1,931	1,736
417	(219)	47	245	Total HRA Earmarked Reserves		245	(4,884)	10,516	5,877

4.2.9 Usable Reserves (continued)

c - Usable Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

31 March 2024 £000		Notes	31 March 2025 £000
14,311	Amounts receivable in year	4.2.8	8,127
223	Amounts receivable from long term debtors	4.2.8	302
(3)	Disposal costs	4.2.8	(1)
	Capital receipts pooling payment to DCLG	4.2.8	
	Capital receipts adj no longer refundable		
	Amounts transferred flexible use for transformation projects	4.2.8	(958)
(1,466)	Amounts Transferred between Reserves	4.2.8	-
(4,326)	Amounts applied to finance new capital investment	4.2.8	(4,572)
8,739	Total increase/(decrease) in reserve during year		2,898
16,405	Balance brought forward at 1 April		25,144
25,144	Balance carried forward at 31 March		28,042

d - Capital Grants Unapplied Account

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received in advance of the capital projects to which it relates. The grant is not assumed to have any conditions attached to it that would trigger its repayment to the original provider. The terms of the grant may restrict how the grant is applied for example, to a particular scheme and/or the financial year which this can take place.

31 March 2024 £000		Notes	31 March 2025 £000
13,092	Capital grants received in year which have not been applied	4.2.8	24,906
(12,797)	Applied during the year transferred to capital adjustment account	4.2.8	(5,641)
	Transfer (to)/from revenue reserves		
295	Total increase/(decrease) in reserve during year		19,265
50,556	Balance brought forward at 1 April		50,851
50,851	Balance carried forward at 31 March	3.3	70,116

4.2.10 Unusable Reserves

a - Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions.

31 March 2024 £000	Notes	31 March 2025 £000
383,517	Balance at 1st April	359,400
1	Opening Balance Adjustment	-
383,518	Revised Balance at 1st April	359,400
(47,446)	Charges for depreciation and impairment of non current assets	(47,958)
(17,064)	Revaluation movement on property, plant and equipment & non current assets held for sale	(10,579)
(2,426)	Amortisation of intangible assets	(3,427)
(14,888)	Revenue expenditure funded from capital under statute	(18,037)
(7,898)	Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal	(7,223)
(29,132)	Amounts of non-current assets written off on derecognition or sale as part of gain/loss on disposal	(5,076)
-	- Movement in market value of investment properties	-
-	- Long Term Loan Repayments	-
(20,450)	Capitalisation Direction EFS	(21,371)
	Expected Credit Allowance	-
34,883	Adjusting amounts written out of Revaluation Reserve	12,480
(104,421)	Net Written out amount of the cost of non-current assets consumed in the year	(101,191)
	Capital Financing applied in the year:	
4,326	Use of capital receipts reserve to finance new capital	4,572
18,246	Use of major repairs reserve to finance new capital	15,047
24,346	Capital grants and contributions credited to the CIES applied to capital financing	42,851
7,821	Applications of grants to capital financing from capital grants unapplied account	5,203
23,286	Statutory provisions for the financing of capital investment charged against the General Fund	32,924
716	Service Concession deferred income write back	716
308	Capital expenditure charged against the General Fund	133
134	Capital expenditure charged against the HRA	4,856
1,120	Voluntary Repayment of Debt	-
80,303		106,302
359,400	Balance at 31 March	364,511

4.2.10 Unusable Reserves (continued)

b - Revaluation Reserve

The Revaluation Reserve contains the unrealised gains made by the Authority arising from changes in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31 March 2024 £000		Notes	31 March 2025 £000
381,244	Balance at 1st April		402,024
1	Opening balance Adjustment		
381,245	Revised Balance at 1st April		402,024
71,332	Upwards revaluation of assets		69,005
(15,670)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services		(12,590)
55,662	Surplus or (deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	3.1c	56,414
(34,883)	Difference between fair value depreciation and historical cost depreciation	4.2.10a	(7,603)
-	Accumulated gains on assets sold or scrapped		(4,877)
(34,883)	Amount written off to the Capital Adjustment Account		(12,480)
-	Other Adjustments		-
402,024	Balance at 31 March		445,958

4.2.10 Unusable Reserves (continued)

c - Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays pensions for which it is directly responsible. The credit balance of £129.7 million on the Pensions Reserve shows an improved position after showing a substantial shortfall in previous years. This represents an improved position on the difference between expected investment returns and the cost of providing benefits to scheme members which have been earned to date, whilst taking into account the contributions made by the Council.

31 March 2024 £000	Notes	31 March 2025 £000
(154,210) Balance at 1st April		(147,939)
(4,620) Remeasurements of the net defined benefit liability/asset	4.2.19c	7,041
(28,116) Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	4.2.19c	(28,109)
39,007 Employers' pension contributions and direct payments to pensioners payable in the year	4.2.8a	39,270
(147,939) Balance at 31 March		(129,737)

4.2.10 Unusable Reserves (continued)

d - Deferred Capital Receipts Reserve

The Deferred Capital Receipt Reserve holds gains recognised but for which the cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as useable capital receipts until the cash settlement is due. When the deferred cash settlement becomes due, amounts are transferred to the Useable Capital Receipts Reserve.

31 March 2024 £000	Notes	31 March 2025 £000
5,810 Balance at 1st April		5,587
- Opening balance adjustment		-
- New deferred receipts		-
<i>Transfers to useable capital receipts reserve upon receipt of cash/assets</i>		
(223) Repayment of long term debtors	4.2.8	(306)
- Deferred sale proceeds on non-current assets		-
5,587 Balance at 31 March		5,281
<i>Of which:</i>		
4,578 Kickstart loans		4,352
792 Cluster loans		722
11 Empty Homes		6
206 Home Improvements		201
5,587 Balance at 31 March		5,281

4.2.10 Unusable Reserves (continued)

e(i) - Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences for staff, earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

31 March 2024 £000	Notes	31 March 2025 £000
(3,848) Balance at 1st April		(3,339)
3,848 Settlement or cancellation of accrual made at the end of the previous year		3,339
(3,339) Amounts accrued at the end of the current year		(3,884)
(3,339) Balance at 31 March		(3,884)

e(ii) - Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

The difference between effective interest credited or charged to the CIES per accounting requirements and the actual interest received or paid per statutory requirements is managed as a transfer to/from the FIAA.

The Authority uses the Account to manage discount received on the early redemption of a number of loans. Discounts are credited to the CIES when they are incurred, but reversed out of the HRA to the FIAA in the Movement in Reserves Statement.

31 March 2024 £000	Notes	31 March 2025 £000
(2,571) Balance at 1st April		(2,421)
150 Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements		159
- Movement in Fair Value		5
(2,421) Balance at 31 March		(2,257)

4.2.10 Unusable Reserves (continued)

f - Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are revalued downwards or impaired, or disposed of and the gains realised.

31 March 2024 £000	Notes	31 March 2025 £000
5,782	Balance at 1st April	5,782
	Upwards revaluation of long term investments	-
	Downward revaluation of long term investments	
5,782	Balance at 31 March	5,782

g - Dedicated Schools Grant Adjustment Account

On the 6 November 2020, the secretary of state for Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where a local authority has a deficit on its schools budget for the financial year falling within the period between 1 April 2020 and 31 March 2026, it must not charge the amount of that deficit to a revenue account. The local authority must record any such deficit in a separate account established solely for the purpose of recognising deficits relating to its schools budget.

31 March 2024 £000	Notes	31 March 2025 £000
(21,202)	Reporting of Schools Budget Deficit to new Adjustment Account at 1 April 2020	(21,202)
-	DSG Surplus/(Deficit) for the year	(1,228)
(21,202)	Balance at 31 March	(22,430)

4.2.11 Assets

a - Property, Plant & Equipment

Movement on Balance 2024/25 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	701,655	348,843	65,674	358,980	39,607	33,761	73,946	1,622,466
Additions	23,235	3,922	5,015	28,478	290	779	27,535	89,254
IFRS16 Remeasurements			(698)	(262)				(960)
Revaluation Increases/ (decreases) recognised in the:								-
Revaluation Reserve	32,598	4,534	-	-	-	448	-	37,580
Surplus/Deficit on the Provision of Services	(17,308)	(395)	-	-	-	831	-	(16,872)
Derecognition through disposal and transfer (non- schools)	(7)	(5,021)	(1,819)	(945)	-	(2,725)	-	(10,517)
Derecognition through disposal and transfer (schools)	-	-	-	-	-	-	-	-
Reclassifications within PPE	15,374	(7,107)	-	11	-	5,173	(19,147)	(5,696)
Reclassifications to IP	-	-	-	-	-	222	-	222
Assets reclassified (to)/from Held for Sale	-	(139)	-	-	-	(150)	-	(289)
other adjustments(roundings)	-	-	-	-	-	-	-	-
Balance at 31 March	755,547	344,637	68,172	386,262	39,897	38,339	82,334	1,715,188

4.2.11 Assets (continued)

a - Property, Plant & Equipment

Movement on Balance 2024/25	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Accumulated Depreciation and Impairment								
Balance at 1 April	1,410	(1,729)	(42,199)	(81,325)	(1,488)	(1,483)	(49)	(126,863)
Depreciation charge in year	(14,269)	(9,855)	(6,050)	(13,683)	-	(50)	-	(43,907)
Depreciation written out to the:								-
Revaluation Reserve	10,927	7,208	-	-	-	50	-	18,185
Surplus/Deficit on the Provision of Services	3,193	1,070	-	-	-	114	-	4,377
Impairment losses/(reversals) recognised in the:								-
Revaluation Reserve	-	-	-	-	-	(25)	-	(25)
Surplus/Deficit on the Provision of Services	(3,235)	(2)	(2)	-	-	(530)	-	(3,769)
Derecognition through disposal and transfer (non- schools)	7	165	1,750	924	-	1,227	-	4,073
Derecognition through disposal and transfer (schools)	-	-	-	-	-	-	-	-
Reclassifications within PPE	118	92	-	-	-	(90)	-	120
Assets reclassified (to)/from Held for Sale	-	3	-	-	-	6	-	9
Balance at 31 March	(1,849)	(3,048)	(46,501)	(94,084)	(1,488)	(781)	(49)	(147,800)
Net Book Value								
At 31 March 2025	753,698	341,589	21,671	292,178	38,409	37,558	82,285	1,567,388
At 31 March 2024	703,065	347,114	23,475	277,655	38,119	32,278	73,897	1,495,603

4.2.11 Assets (continued)

a - Property, Plant & Equipment

Movement on Balance 2023/24 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	665,066	369,419	64,085	334,819	38,398	40,745	36,362	1,548,894
Additions	24,598	4,755	4,858	20,794	1,063	1,116	41,229	98,413
Revaluation Increases/ (decreases) recognised in the:								-
Revaluation Reserve	22,608	12,379	-	-	-	(82)	-	34,905
Surplus/Deficit on the Provision of Services	(12,594)	(4,362)	-	-	-	(2,756)	-	(19,712)
Derecognition through disposal and transfer (non- schools)	-	(1,183)	(1,902)	(277)	-	(5,978)	(458)	(9,798)
Derecognition through disposal and transfer (schools)	-	(29,546)	(1,367)	-	-	(119)	-	(31,032)
Reclassifications within PPE	-	(2,619)	-	42	146	3,285	(3,187)	(2,333)
Reclassifications to IP	-	-	-	-	-	(2,451)	-	(2,451)
Assets reclassified (to)/from Held for Sale	1,977	-	-	-	-	-	-	1,977
other adjustments(roundings)	-	-	-	-	-	-	-	(1)
Balance at 31 March	701,655	348,843	65,674	355,378	39,607	33,760	73,946	1,618,862

4.2.11 Assets (continued)

a - Property, Plant & Equipment

Movement on Balance 2023/24	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	1,425	(2,206)	(38,802)	(68,923)	(1,451)	(6,795)	(49)	(116,801)
Depreciation charge in year	(18,589)	(9,405)	(6,302)	(12,539)	-	(78)	-	(46,913)
Depreciation written out to the:								-
Revaluation Reserve	14,293	6,047	-	-	-	60	-	20,400
Surplus/Deficit on the Provision of Services	4,225	2,986	-	-	-	154	-	7,365
Impairment losses/(reversals) recognised in the:	-	-	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-	-	-
Surplus/Deficit on the Provision of Services	-	(96)	-	-	-	(361)	-	(457)
Derecognition through disposal and transfer (non-schools)	-	152	1,845	137	-	-	-	2,134
Derecognition through disposal and transfer (schools)	-	724	1,057	-	-	5,547	-	7,328
Reclassifications within PPE	57	68	-	-	(37)	(14)	-	74
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	2	-	2
Balance at 31 March	1,411	(1,730)	(42,202)	(81,325)	(1,488)	(1,485)	(49)	(126,868)
Net Book Value								
At 31 March 2024	703,066	347,113	23,472	274,053	38,119	32,275	73,897	1,491,994
At 31 March 2023	666,491	367,213	25,283	265,896	36,947	33,950	36,313	1,432,093

4.2.11 Assets (continued)

b - Other Land & Buildings by Sub Class

Net Book Value as at 31/03/2024		Net Book Value as at 31/03/2025	
£000	Sub Class	£000	
25,959	Administrative Buildings	25,281	
3,474	Bus Station	3,451	
11,592	Civic Amentity Sites	12,053	
8,479	Car Parks	9,255	
2,298	Cemeteries & Crematorium	2,189	
6,088	Children's Centres	6,175	
17,884	Community	18,701	
616	Coroners & Mortuary	866	
7,795	Depots	8,014	
35,061	Economic Development	31,114	
5,413	Garages	5,799	
17,893	Libraries & Museums	17,523	
1,315	Local Centres	1,149	
1,171	Markets	1,208	
1,227	Miscellaneous	1,315	
6,548	Other Educational Facilities	6,614	
89	Public Conveniences	79	
63,836	Recreation Facilities	62,897	
46,158	Schools	41,836	
4,010	Shops	3,941	
52,430	Social Care Facilities	52,348	
26,877	Theatre	28,829	
470	Travellers Site	531	
430	Youth Services	421	
347,113	Total	341,589	

4.2.11 Assets (continued)

c - Surplus Assets

Surplus assets are properties that do not directly support the provisions of services. Within this category are a mixture of assets that are earmarked for strategic regeneration or are held for indeterminable use.

Net Book Value as at 31/03/2024 £000 Sub Class		Net Book Value as at 31/03/2025 £000	
2,588	Strategic regeneration sites	3,155	
1,451	Cleared land not currently qualifying as held for sale	2,820	
27,998	Vacant premises	31,569	
238	Other surplus assets	12	
32,275	Total	37,555	

4.2.11 Assets (continued)

d - Revaluation of Property Plant & Equipment

The Authority carries out a revaluation programme that ensures all items of Property, Plant and Equipment are revalued at least every 5 years. Where any assets incur a significant level of capital enhancement or where the construction of an asset is completed within the reporting period, these assets are revalued. The effective revaluation date is 31 March.

All formal valuations for the reporting period to 31 March 2025 were completed by external valuers in accordance with the professional standards of the Royal Institute of Chartered Surveyors (RICS) with due regard to IFRS requirements for asset classification and measurement bases.

Operational housing property subject to secure tenancy is valued on the basis of Existing Use Value for Social Housing (EUV-SH) as defined by the RICS Appraisal and Valuation Standards.

To date EUV-SH has been based on the vacant possession value of the properties, adjusted to reflect the continuing occupation by a secure tenant (Vacant Possession adjustment factor) (The Beacon approach). EUV-SH thus reflects a valuation for a property if it were sold with sitting tenants paying rents at less than market value and tenants' rights including RTB. For 2024/25 there has been no change to this factor.

Buildings and Land used in the delivery of services are carried at current value in relation to their Existing Use Value based on the services provided to the Council. Properties for which there is no market-based evidence of fair value because of the specialist nature of the asset and the asset is rarely sold, have had their current value estimated on a depreciated replacement cost basis.

For individual buildings that are revalued to current value that is greater than £1m, the building valuation is analysed into significant components and each component's remaining useful life is measured to ensure that the carrying value of the asset reflects the economic consumption of the asset's use and depreciated separately.

Surplus assets are properties that are surplus to service needs but do not fully meet the IFRS criteria for Investments or Held for Sale assets. Surplus Assets are carried at a fair value under IFRS 13 defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.

Items of Vehicles, Plant, Furniture and Equipment with short useful lives and/or low values are valued at depreciated historic cost as a proxy for current value.

The council revalues its assets with sufficient regularity to ensure the value at the balance sheet date is materially correct. Where there is evidence of such movements, further valuations will be undertaken. The council bases its valuation on assumptions of asset conditions, useful lives, residual values and market conditions. These judgements are underpinned by the best available information and are made by qualified valuers but are still based on estimates. A 1.0% fluctuation in council dwellings and other land and buildings values would amount to a £15.7m movement in Property, Plant and Equipment balance shown on the balance sheet.

4.2.11 Assets (continued)

d - Revaluation of Property Plant & Equipment

The table below shows the last valuations date year and the assets net carrying value against each year. The purpose is to ensure that assets are valued within a reasonable time scale to reflect a reasonable fair value at the balance sheet.

	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Surplus Assets £000	Total £000
Carried at Historical Value		777	22,369	115	23,261
Valued at Fair Value as at:					
31/03/2025	753,698	259,269		25,191	1,038,158
31/03/2024		21,581		6,096	27,677
31/03/2023		59,962		3,055	63,017
31/03/2022				3,100	3,100
31/03/2021					
Totals	753,698	341,589	22,369	37,557	1,155,213

4.2.11 Assets (continued)

e(i) - Heritage Assets

The City Council's Heritage Assets are at various locations throughout the City but principally at the four main museums.

	Buildings £000	Collections £000	Statuary and Horological £000	Spitfire Aircraft £000	Total £000
At 1 April 2023	2,986	61,451	852	768	66,057
Additions	24	-	-	-	24
Depreciation charge	(78)	-	-	-	(78)
Upward revaluation	534	-	-	-	534
Downward revaluation	(40)	-	-	-	(40)
At 1 April 2024	3,426	61,451	852	768	66,497
Additions	55				55
Depreciation charge	(95)				(95)
Upward revaluation	833				833
Downward revaluation	(6)				(6)
At 31 March 2025	4,214	61,451	852	768	67,285

Shared Assets

The Staffordshire Hoard is owned and cared for jointly by Stoke-on-Trent City Council and Birmingham City Council on behalf of the nation. The Hoard was acquired by both Councils for the value of £3.285m, 50% of the value is now included in Heritage Assets on the balance sheet of the City Council at a value of £1.642m.

e(ii) - Intangible Assets

The city council's intangible assets are made up of software and other intellectual properties

	Mar-24 £000	Mar-25 £000
Cost		
Balance at 1 April	17,805	21,795
Additions/ Enhancements	3,990	4,389
Disposals	-	(10)
Write offs/ Impairments	-	-
Transfers in/(out)	-	-
Balance at 31 March	21,795	26,174
Depreciation		
Balance at 1 April	11,062	13,466
Depreciation charge in year	2,404	3,427
Disposals	-	(10)
Write offs/ Impairments	-	-
Transfers in/(out)	-	-
Balance at 31 March	13,466	16,883
Net Book Value 31 March	8,329	9,291

4.2.11 Assets (continued)

f - Investment Properties

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the comprehensive income and expenditure statement.

2023/24 £000	2024/25 £000
3,681 Rental income from investment property	5,252
(832) Direct operating expenses arising from investment property	(2,279)
2,849 Net gain/(loss)	2,973

The following table summarises the movement in the fair value of investment properties over the year.

2023/24 £000	2024/25 £000
44,451 Balance at 1 April	40,188
1,678 Additions	6
(521) Disposals	-
(4,851) Net gains/losses from fair value adjustments	1,764
(569) Transfers to/from property, plant and equipment	(222)
40,188 Balance at 31 March	41,736

4.2.11 Assets (continued)

g - Fair value measurement

The Council measures Investment Properties and Surplus Assets at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council uses external valuers to provide a valuation of its assets in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant.

Inputs to the valuation techniques in respect of the Council's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

- Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- Level 3 - Unobservable inputs for the asset or liability.

Fair Value Hierarchy

All the Council's Investment Properties and Surplus Assets have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

Valuation Techniques Use to Determine Level 2 Fair Values for Investment Property and Surplus Assets

The fair value of Land, Office, Industrial and Retail assets have been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the Fair Value Hierarchy.

4.2.11 Assets (continued)

h - Impairment and Depreciation

The Authority recognised depreciation and amortisation charges totalling £47.428m representing an estimate of the value of fixed assets consumed during the financial year for the provision of services.

The Authority also recognised impairment losses resulting in a total charge of £3.793m

Summary of Depreciation and Impairment charged to Comprehensive Income and Expenditure.

The amounts below represents the impairments and depreciation charge to services in the net cost of services.

	Amortisation £000	Depreciation £000	Impairment £000
Property, plant and equipment	-	43,907	3,769
Intangible assets	3,427	-	
Non current assets held for sale	-	-	
Investment properties	-	-	
Heritage assets	-	95	
Total depreciation and impairment charged to services	3,427	44,002	3,769

4.2.11 Assets (continued)

i - Maintained Schools

The council has ten maintained schools at the balance sheet date. During the financial year one primary school (Holden Lane) converted to an academy. Burnwood Primary School converted to an academy on 1 April 2025.

The treatment of land and buildings is based on the legal framework underlying each type of school. The Council controls the management and running of community and voluntary controlled schools. The land and buildings of voluntary aided and foundation schools are owned by the trustees of the schools or the foundation body. However, as all schools are part of the PFI contract, the buildings are all retained on the Council's Balance Sheet. Land assets relating to Foundation schools are written out once the legal agreement has been entered into.

Capital expenditure on community and voluntary controlled schools is added to the balances for those schools as reported in Property, Plant and Equipment.

Capital expenditure on voluntary aided schools is charged to the CIES within Children and Family services as "REFCUS".

Dedicated Schools Grant (DSG) is credited to Schools and Children & Family services within the CIES, based on amounts due from the Department for Education for 2024/25.

Individual schools' balance as 31st March 2025 are included in the Balance Sheet of the Council under the heading Earmarked Reserves - General Fund.

	Community	Voluntary Controlled	Voluntary Aided	Foundation
Number of schools subject to PFI contracts	6	1	1	-
Value of land and buildings at 31st March 2025	£32.0m	£3.3m	£5.2m	-

PFI Schemes

All maintained schools, with the exception of two schools (Merit Nursery and Bentilee Nursery), are subject to PFI contracts. All school buildings are shown on the council's balance sheet as the council is the party to the contract with the PFI Operator.

The PFI liability is retained on the council's balance sheet and the income from the Academy schools is recognised to reduce the overall charge in the year.

4.2.11 Assets (continued)

j - Right of Use Assets

Leases

Authority as a lessee

The authority's lease contracts comprise of leases of operational land and buildings, plant and equipment and motor vehicles, which are individually immaterial.

j(i) Right-of-use assets

Column1	Land and Buildings £000	Vehicles, Plant and Equipment £000	TOTAL £000
Balance at 1 April 2024	27	772	799
Additions	-	178	178
Revaluations	-	-	-
Depreciation	(8)	(181)	(189)
Disposals	-	-	-
Balance at 31 March 2025	19	769	788

j(ii) Outstanding lease liability.

This table shows the Outstanding lease Liability in respect of Right of Use Assets:

	£000
Value as at 31 March 2024	-
Remeasurement on transition to IFRS 16 1 April 2024	799
Revised value at 1 April 2024	799
New loans raised	178
Interest added (Finance Cost)	22
Repayment of interest and liability	(278)
Lease liability remeasurement	-
Value as at 31 March 2025	721

	£000
Short Term	170
Long Term	551

4.2.11 Assets (continued)

j(iii) Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	31 March 2024	31 March 2025
	£000	£000
Less than one year	227	204
One to two years	142	199
Two to five years	448	392
More than five years	80	-
Total undiscounted liabilities	897	795

j(iv) Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

	2024/25
	£000
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	33
Expense relating to short-term leases expiring within 12 months	136
Expense relating to exempt leases of low-value items	460
Variable lease payments not included in the measure of lease liabilities	-
Income from subletting right-of-use assets	-
Gains or losses arising from sale and leaseback transactions	-
Cash flow statement	629
Minimum lease payments	290

4.2.12 Capital

a - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table across (including the value of assets acquired under finance leases and PFI/PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

31 March 2024 £000	Notes	31 March 2025 £000
820,809	Opening Capital Financing Requirement	877,529
	Capital Investment	
98,411	Property, Plant & Equipment	89,254
24	Heritage Assets	55
1,678	Investment Properties	6
3,990	Intangible Assets	4,389
11	Assets Held for Sale	
20,450	Capitalisation Direction (EFS)	21,370
14,888	Revenue Expenditure Funded from Capital under Statute	14,771
-	IFRS16 (PFI)	698
	Sources of Finance	
(4,326)	Capital receipts reserve applied to finance capital expenditure	(4,572)
(24,144)	Government grants and contributions received in year and applied	(42,851)
(12,932)	Government grants and contributions applied from reserves	(5,203)
(18,246)	Use of Major Repairs Reserve	(15,047)
(308)	Direct Revenue Contributions - General Fund	(133)
(199)	Contribution from HRA Reserve	(4,856)
(21,457)	Minimum Revenue Provision	(31,095)
(1,120)	HRA Repayment of debt (principal & leasing)	
877,529	Closing Capital Financing Requirement	904,315

4.2.12 Capital (continued)

b - Movement in Capital Financing Requirement

31 March 2024 £000	Notes	31 March 2025 £000
78,465	Increase in underlying need to borrow (unsupported by government financial assistance)	56,257
(21,457)	Decrease in underlying need to borrow (MRP and voluntary debt repayment)	(31,095)
(1,120)	Decrease in underlying need to borrow (HRA voluntary debt repayment)	-
-	Assets acquired under Finance Leases	698
832	Assets acquired under PFI/PPP contracts	926
-	Principal repayments of long term debt used for financing	-
56,720	Increase/(decrease) in Capital Financing Requirement	26,786

c - Minimum Revenue Provision

MRP which relates to pre 2008 debt liability will be charged at the rate of 2% straight line (previously 4% reducing balance). Post 2008 MRP reflected within the debt liability at the end of the financial year will be subject to MRP based on Asset Life charged over a period which is reasonably commensurate with the estimated useful life of the asset (or group of assets) as determined by professional judgement. Where the underlying borrowing is by way of a finance lease or service concession arrangement (PFI Scheme), additional revenue provision may be set aside on the capital repayment plan of this agreement.

The minimum revenue provision and voluntary repayment of debt provision for 2024/25.

31 March 2024 £000	Notes	31 March 2025 £000
12,791	Other Services	16,045
	Finance Leases	
	Right of Use Assets	279
	Private Finance Initiative	
5,622	- Schools	7,370
1,203	- Street Lighting	2,619
1,351	- Extra Care	2,419
490	- Bentilee District Centre	2,363
21,457	Total	31,095

4.2.12 Capital (continued)

d - Capital Commitments

At 31 March 2025, the Authority has entered into a number of significant contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years budgeted to cost £72.7m. Similar commitments at 31 March 2024 were £151.2m.

Capital Scheme	Contract	
	Commitment Value £000	Unpaid Amounts £000
Transforming Cities - Station Road/College Road	20.3	9.7
Goods Yard	46.7	0.7
Longton Primary Care	3.8	0.2
ERP System	1.9	1.8
Total	72.7	12.4

4.2.13 PFI & Similar Contract

The Authority makes an agreed payment each year, which is adjusted year by year for inflation, variations to the contract and any compensation for failure to meet agreed performance targets. Payments made to the contractor are described as Unitary Payments, they have been calculated to compensate the contractor for the following:

- Fair value of service provided to the authority
- Capital expenditure incurred
- Interest payable on capital expenditure yet to be reimbursed
- Contingent rent
- Payments estimated to fund capital lifecycle replacements

Schools Estate PFI Scheme - 2024/25 was the 24th year of a 25 year PFI contract with Transform Schools (Stoke) Limited (TSSL) for rebuilding, maintaining, upgrading and providing services to its schools. Services provided under the contract include utilities, window cleaning, legislative safety testing, buildings maintenance and pest control. The scheme is provided under the Private Finance Initiative and will benefit from government grants of around £53m over its remaining lifetime.

Legal ownership of the assets involved in the scheme is retained by the City Council throughout the contract period and these assets will be returned to the City Council at nil cost at the end of the contract period. The City Council may terminate the contract with TSSL subject to a period of notice and payment of compensation.

Street Lighting PFI Scheme - 2024/25 was the 21st year of a 25 year PFI contract with Tay Valley Lighting (TVL) for prioritised replacement, operation and maintenance of all the City's street lights, illuminated signs and bollards, giving illumination of designated public areas to contractually specified performance standards. Changes in energy supply costs passed on to the City Council via the contract are subject to separate provisions for market testing. Following agreement between the council and the PFI contractor to undertake an LED unit replacement programme and light control system, the energy consumption is expected to reduce, generating financial savings and a reduction in carbon emission. The contract will terminate on 31 August 2028.

Legal ownership of the assets involved in the scheme is retained by the City Council throughout the contract period and these assets will be returned to the City Council at nil cost at the end of the contract period. The City Council may terminate the contract at any time, with not less than six and not more than twelve months notice to TVL, subject to payment of compensation.

Bentilee District Centre PFI Scheme - 2024/25 was the 19th year of a 25 year PFI contract with Bentilee HUB (Project Company) Limited (BHUB) for the provision and maintenance of a multi-service district centre on the Devonshire Square site in Bentilee. Clinical and community services accessed by the public at the district centre include GP, library, youth and advice services, as well as retail units.

Legal ownership of all assets involved in the scheme is retained by the City Council throughout the contract period and all scheme assets will be passed to the City Council at nil cost at the end of the contract period. The City Council may terminate the contract following the provision of six

4.2.13 PFI & Similar Contract (continued)

Extra Care Housing PFI - 2024/25 was the 11th year of a 25 year contract with Sapphire Extra Care Limited (SEC) to carry out and provide extra care housing. Extra care housing combines housing and care support for older people who have access to high quality accommodation with their own front door, with the security of a 24-hour care provider on site to provide reliable and responsive support as needed. The landlord is entitled to charge and retain rents from tenants. SEC shall ensure that the landlord does not charge rents in excess of the agreed rent.

The sites are based as Westcliffe, Abbey Hulton and Blurton. Legal ownership of the apartment blocks is held by SEC. At the end of the contract period the City Council have an option to purchase all the apartment blocks at market value. Termination in advance of the contract expiry date is available to the City Council, subject to payment of compensation.

The contract will terminate on 9 July 2039.

PFI and Similar Contracts

As at 31 March 2024 the Authority has committed to making unitary payments of £156.858m over the remaining lives of the PFI and similar contracts schemes (see note 4.2.13). The contract payments are subject to inflationary increases, based on factors such as energy prices and various other contract variations that may arise after this date. In the current economic climate particularly with respect to energy prices, the value of future unitary payments may be higher than currently anticipated.

If inflationary factors were to increase by 0.5% on all PFI schemes, an additional £1.294m would need to be set aside to meet future commitments, If inflationary factors were to decrease by 0.5% on all PFI schemes, future commitments would be £0.905m lower.

4.2.13 PFI & Similar Contract (continued)

a - Assets resulting from PFI arrangements

In accordance with the accounting requirements, all PFI assets are shown on the Council's Balance Sheet. The following table shows the value of assets recognised under PFI arrangements and analyses the movement in the value of the assets during the year.

As at 31 March 2025, 81 of the schools have converted to academy status, 1 school converted to academy status during 2024/25. It is deemed that such schools bear a significant part of the risks and rewards of ownership of the school assets and therefore such assets have been derecognised from the Council's Balance Sheet.

Only street lighting is affected by IFRS16 remeasurement transition as it is held at historical cost, other assets are at current value which is

	Schools £000	Street Lighting £000	Bentilee District Centre £000	Extra Care Housing £000	Total £000
Value as at 31 March 2024 brought forward	77,852	30,340	8,689	35,755	152,636
Remeasurement on transition to IFRS 16	-	3,603	-	-	3,603
Revised value at 31 March 2024	77,852	33,943	8,689	35,755	156,239
Additions	-	945	-	-	945
Additions through PFI	-	-	-	-	-
Revaluations	-	-	(13)	-	(13)
Derecognitions and Reclassifications	-	-	-	-	-
Depreciation/Impairment	-	1	(291)	(852)	(1,141)
Lease liability remeasurement	(456)	(131)	(242)	-	(829)
Value as at 31 March 2025	77,396	34,758	8,143	34,903	155,201

4.2.13 PFI & Similar Contract (continued)

b - Liabilities resulting from PFI arrangements

The following table shows the value of liabilities resulting from PFI arrangements and analyses the movement in the year. The interest shown in the table (£3.747m) has been expensed to the CIES in 2024/25

The amount included on the Balance Sheet as other long term liabilities does not include any future capital replacement cost as such liabilities are only recognised as the capital replacement expenditure is incurred.

The element of the outstanding liability that is due to be paid within the next 12 months is shown within “Short Term Creditors”; the remainder forms part of the balance of “Other Long Term Liabilities”.

The PFI liabilities in respect of all PFI schools remain on the Council’s balance sheet as the Council is party to the contract with the PFI operator.

	Schools £000	Street Lighting £000	Bentilee District Centre £000	Extra Care Housing £000	Total £000
Value as at 31 March 2024	9,387	5,767	3,200	33,601	51,955
Remeasurement on transition to IFRS 16	2,730	3,603	167	369	6,869
Revised value at 31 March 2024	12,117	9,370	3,367	33,970	58,824
New loans raised	-	-	-	-	-
Interest added (Finance Cost)	728	905	376	1,738	3,747
Repayment of interest and liability	(10,621)	(2,649)	(1,418)	(3,718)	(18,406)
Lease liability remeasurement	(456)	(131)	(242)	-	(829)
Value as at 31 March 2025	1,768	7,495	2,083	31,990	43,336
of which		Short Term		4.2.14b	12,105
		Long Term		4.2.14b	31,231
					43,336

4.2.13 PFI & Similar Contract (continued)

c - Future Unitary Payments

Total payments remaining to be paid under each PFI service concession contract as 31st March 2025 (including estimated inflation, contract variations and estimated future capital replacement costs are analysed below in 5 year bandings).

Summary	Repayment of	Interest	Service Charge	Lifecycle Costs	Total
Future Unitary Payments	Liability	£000	£000	£000	£000
Within 1 year	5,147	2,670	8,867	5,216	21,901
2 - 5 years	14,762	7,398	15,236	5,408	42,804
6 - 10 years	10,822	4,909	10,883	4,508	31,122
11 - 15 years	12,605	1,540.8	7,195	1,931	23,271
16 - 20 years	-	-	-	-	-
	43,336	16,518	42,181	17,063	119,098

The predicted future PFI payments include assumptions around contractual indexation the Council will be prepared to pay. The effects of these assumptions will be monitored closely over the remaining life of the contract and mitigated through reduced energy consumption, contract negotiations and/or increased revenue contributions.

Schools Estate PFI Scheme	Repayment of	Interest	Service Charge	Lifecycle Costs	Total
Future Unitary Payments	Liability	£000	£000	£000	£000
Within 1 year	1,768	49	4,610	2,425	8,853
2 - 5 years	-	-	-	-	-
	1,768	49.3	4,610	2,425	8,853

Included in the estimated future unitary payment service charges for the schools PFI is the cost of services and maintenance in respect of schools incorporated into the contract that were built as part of the Building Schools for Future Programme (BSF). We have determined that these schools are service concession assets and accounted for them as such however it is not expected that these assets will produce a liability on the balance sheet. The repayment of the liability and interest in respect of assets replaced by BSF schools are retained as liabilities estimated to be £4.70m and will be repaid over the period of the remaining contract.

4.2.13 PFI & Similar Contract (continued)

c - Future Unitary Payments

Extra Care PFI Scheme Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000
Within 1 year	1,306	1,650	1,690	799	5,445
2 - 5 years	8,377	5,631	6,772	999	21,779
6 - 10 years	9,702	4,761	8,462	4,300	27,225
11 - 15 years	12,605	1,541	7,195	1,931	23,272
16 - 20 years	-	-	-	-	-
	31,990	13,583	24,119	8,029	77,721

Bentilee District Centre PFI Scheme Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000
Within 1 year	85	275	1,331	944	2,635
2 - 5 years	878	1,035	5,316	1,789	9,018
6 - 10 years	1,121	149	2,420	208	3,898
	2,084	1,459	9,067	2,941	15,551

Street Lighting PFI Scheme Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000
Within 1 year	1,988	696	1,236	1,048	4,968
2 - 5 years	5,507	732	3,146	2,620	12,005
6 - 10 years	-	-	-	-	-
	7,495	1,428	4,382	3,668	16,973

4.2.13 PFI & Similar Contract (continued)

d - Income and Expenditure

Transactions under the schemes during 24/25	Schools 2023/24 £000	Schools 2024/25 £0002	Extra Care Housing 2023/24 £000	Extra Care Housing 2024/25 £0002	Bentilee District Centre 2023/24 £000	Bentilee District Centre 2024/25 £0002	Street Lighting 2023/24 £000	Street Lighting 2024/25 £0002
Fair value of services	15,298	16,344	2,277	1,741	1,314	1,490	1,153	4,624
Finance cost	1,331	728	1,839	1,738	531	376	702	732
Contingent rent	(739)	-	21	-	360	-	795	-
Revenue Unitary Charge	15,890	17,072	4,137	3,479	2,205	1,866	2,650	5,356
Recharge to academies	(2,704)	(14,716)	-	-	-	(1,070)	-	-
Other revenue expenditure	605	780	-	-	-	18	-	-
Depreciation	2,261	-	699	852	25	291	1,500	1
Total Expenditure	16,052	3,137	4,836	4,331	2,230	1,105	4,150	5,357
PFI special grant	(8,294)	(8,294)	(2,277)	(4,790)	(1,346)	(1,346)	(1,351)	(1,351)
Other contributions	(673)	(1,336)	(716)	(716)	(1,010)	(631)	(10)	(10)
(Surplus)/Deficit in Income and Expenditure	7,085	(6,493)	1,843	(1,176)	(126)	(873)	2,789	3,996
Movement in Reserves								
Depreciation	(2,261)	-	(699)	(852)	(25)	(291)	(1,500)	(1)
MRP	5,622	9,893	1,351	1,980	40	1,042	1,202	1,744
Transfer to/(from) Earmarked Reserves								
Transfer to PFI reserve			-	-			283	(521)
Transfer (from) reserve	(6)	-	-	-			(2)	-
Net Charge to General Fund	10,441	3,400	2,495	(47)	(111)	(121)	2,772	5,218

A number of schools have converted to Academy status and entered into a contractual arrangement with the Council in respect of properties under the PFI scheme. The Council recharges the Unitary Charges on such properties to the schools.

4.2.14 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

a - Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset.

The financial assets disclosed in the Balance Sheet are analysed below across the following categories:

Long-Term Assets 2023/24 £000	Current Assets 2023/24 £000		Notes	Long-Term Assets 2024/25 £000	Current Assets 2024/25 £000
		Investments			
15,728	-	Fair value through other comprehensive income	4.2.14d(iv)	15,728	-
15,728	-	Total Investments	-	15,728	-
		Debtors			
11,356	-	Fair value through profit and loss	4.2.14d(iii)	11,791	-
36,831	86,720	Amortised cost	4.2.14d(ii)	36,350	100,205
2,297		Classes of debtor not recognised as financial instruments		2,291	-
50,484	86,720	Total Debtors		50,432	100,205
		Cash and Cash Equivalents			
-	29,394	Fair value through profit and loss	4.2.14e	-	32,770
-	46	Amortised cost	4.2.14e	-	40
-	29,440	Total Cash and Cash Equivalents		-	32,810

4.2.14 Financial Instruments (continued)

b - Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable.

Long-Term Liabilities 2023/24 £000	Current Liabilities 2023/24 £000		Notes	Long-Term Liabilities 2024/25 £0002	Current Liabilities 2024/25 £0002
		Borrowings			
602,042	121,731	Amortised cost		689,995	46,406
602,042	121,731	Total Borrowings		689,995	46,406
		Other Liabilities at amortised cost			
2,625	1,829	Liability with Staffordshire County		796	1,829
42,005	9,950	PFI liabilities	4.2.13a	31,231	12,105
11,101	-	PFI liabilities - deferred credit		10,384	-
496	209	Finance lease liabilities	4.2.14j	280	317
-	-	Right of Use Asset Leases		551	170
321	-	Lease Premium		321	-
6,680		Retentions		7,679	
63,228	11,988	Total Other Liabilities		51,242	14,421
		Creditors			
-	82,460	Amortised cost	4.2.14d(i)	-	116,813
6,290		Classes of creditor not recognised as financial instruments		-	-
6,290	82,460	Total Creditors	4.2.21c	-	116,813

4.2.14 Financial Instruments (continued)

c - Gains and Losses on Financial Instruments

31st March 2024						31st March 2025				
Liabilities Measured at amortised cost £000	Assets Measured at amortised cost £000	Fair Value Elected through OCI £000	Fair Value through Profit and Loss £000	Total £000		Liabilities Measured at amortised cost £000	Assets Measured at amortised cost £000	Fair Value Elected through OCI £000	Fair Value through Profit and Loss £000	Total £000
-	-	-	-	-	Impairment losses	-	-	-	-	-
(20,017)	-	-	-	(20,017)	Interest expenses	(30,524)	-	-	-	(30,524)
(20,017)	-	-	-	(20,017)	Total expenses in surplus or deficit on the provision of services	(30,524)	-	-	-	(30,524)
-	-	-	-	-	Impairment loss reversals	-	-	-	-	-
-	2,051	2,428	-	4,479	Interest income and investment income	-	6,408	5,108	-	11,516
-	2,051	2,428	-	4,479	Total Income in surplus or deficit on the provision of services	-	6,408	5,108	-	11,516
-	-	-	-	-	Gains on revaluation	-	-	-	-	-
-	-	-	-	-	Losses on revaluation	-	-	-	-	-
-	-	-	-	-	Impact on other comprehensive income	-	-	-	-	-
(20,017)	2,051	2,428	-	(15,538)	Net gain/(loss) for the year	(30,524)	6,408	5,108	-	(19,008)

4.2.14 Financial Instruments (continued)

d - Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

For most assets, including bonds, treasury bills and shares in money market funds and other pooled funds, the fair value is taken from the market price. Where applicable, the fair values of other instruments have been estimated using the following methods and assumptions:

- Certificates of deposit and forward loan contracts have been discounted at market interest rates for instruments of similar credit quality and remaining term to maturity;
- Shares in unlisted companies have been valued from the company's balance sheet net assets.

The fair values for financial assets classified as amortised cost have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025, using the following methods and assumptions:

- Loans from the PWLB have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans have been increased by the value of embedded options. Lender's options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity at 31 March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument

The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount.

Fair values are shown split by their level in the fair value hierarchy, as prescribed in IFRS 13:

Level 1 - fair value is only derived from quoted prices in active markets for identical assets or liabilities

Level 2 - fair values are calculated from inputs other than quoted prices that are observable for the asset or liability

Level 3 - fair values are determined using unobservable inputs

4.2.14 Financial Instruments (continued)

d (i) - Financial Liabilities carried at Amortised Cost

31 March 2024						31 March 2025			
Carrying Amount Long Term £000	Carrying Amount Short Term £000	Fair Value Long Term £000	Fair Value Short Term £000		Fair Value Level	Carrying Amount Long Term £000	Carrying Amount Short Term £000	Fair Value Long Term £000	Fair Value Short Term £000
582,042	33,392	533,703	33,454	PWLB - maturity	2	669,995	39,900	548,550	39,900
-	5,480		5,480	Interest accrued	2	-	6,506	-	6,506
20,000	-	23,432	-	LOBOs	2	20,000	-	22,354	-
-	82,858	-	83,811	Inter-authority loans	2	-	-	-	-
496	209	506	248	Finance leases	2	280	317	-	-
42,006	9,950	43,344	14,355	PFI schemes	2	31,231	12,105	-	-
2,625	1,829	2,472	1,867	Liability with Staffordshire County	2	796	1,829	618	1,759
-	82,460	-	82,460	Creditors ¹	2	-	116,813	-	116,813
647,169	216,178	603,458	221,675	Financial liabilities		722,302	177,470	571,522	164,978

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

¹ The fair value of short-term financial liabilities including trade payables is assumed to approximate to the carrying amount

4.2.14 Financial Instruments (continued)

d (ii) - Financial Assets carried at Amortised Cost

31 March 2024 Carrying Amount £000	31 March 2024 Fair Value £000		Note	Fair Value Level	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000
10,880	37,492	Long Term Debtors			48,971	48,971
75,578	50,854	Short Term Debtors ¹			69,033	69,033

Short-term debtors exclude amounts receivable of £31.172m from Statutory debtors, Central Government, and prepayments. Long term debtors exclude amounts receivable of £1.461m relating to housing benefits overpayments. These have not arisen from contracts and are therefore not classed as financial instruments and do not fall within the scope of IFRS 9.

¹The fair value of short-term financial assets including trade receivables is assumed to be the carrying amount

d (iii) - Financial Assets Held at Fair Value through Profit and Loss

31 March 2024 £000		Note	Fair Value Level	31 March 2025 £000
2,164	Kick Start ¹	4.2.21a	3	2,101
73	Home Improvement Loans ¹	4.2.21a	3	69
9,119	GenR8 Smithfield Hotel Ltd	4.2.21a	3	9,621
11,356	Total			11,791

¹ Consists of soft loans whose cash flows are not solely payments of principal and interest. Soft loans have been valued by discounting the contractual payments at the estimated market rate of interest for a similar loan.

4.2.14 Financial Instruments (continued)

d (iv) - Financial Assets Held at Fair Value through Other Comprehensive Income

The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

The City Council's share holdings were valued using the adjusted net asset value in the company's latest balance sheet. Changing unobservable inputs in the measurement of the fair value of level 3 financial assets to reasonably possible alternative assumptions would not have a significant impact on profit for the year or total assets.

31 March 2024 £000		Note	Fair Value Level	31 March 2025 £000
	Stoke EnergyCo Limited (Dormant)			
-	100% Shareholding - 1 ordinary share of £1		3	-
	Rhead Homes Ltd (Dormant)			
-	100% Shareholding - 1 ordinary share of £1		3	-
-	Sub-total (Group long term investments)			-
	Fortior Homes Limited			
13,535	100% Shareholding - 14,900,420 ordinary shares of £1		3	13,535
	Unitas Stoke-on-Trent Limited			
2,193	100% Shareholding - 1 ordinary share of £1		3	2,193
15,728	Total long term investments (SOTCC)			15,728

4.2.14 Financial Instruments (continued)

e - Cash and Cash Equivalents

The table reflects the level of cash and cash equivalents held at the balance sheet date

31 March 2024			Notes	Fair Value Level	31 March 2025	
Carrying Amount £000	Fair Value £000				Carrying Amount £000	Fair Value £000
24,030	24,030	Money market funds		1	22,990	22,990
24,030	24,030	Financial Assets Held at Fair Value through Profit and Loss			22,990	22,990
-	-	On call accounts			751	-
-	-	Term deposits			-	-
46	-	Cash held by the authority			40	-
5,364	-	Bank current accounts	4.2.14f		9,029	-
-	-	Accruals attached to term deposits			-	-
5,410	-	Financial Assets for which fair value is not disclosed			9,820	-
29,440	24,030	Total Cash and Cash Equivalents (SOTCC)			32,810	22,990
720	-	Cash & Cash Equivalents (Unitas)			292	-
1,113	-	Cash & Cash Equivalents (Fortior)			2,543	-
1,446	-	Cash & Cash Equivalents (Fortior Homes (Rental))			696	-
32,719	24,030	Total Cash and Cash Equivalents (Group)			36,341	22,990

4.2.14 Financial Instruments (continued)

f - Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that

31 March 2024				31 March 2025		
Net position				Net position		
on the				on the		
balance				balance		
sheet				sheet		
Gross	(Liabilities)			Gross	(Liabilities)	
Assets	set off			Assets	set off	
£000	£000	£000	Notes	£000	£000	£000
25,507	(20,143)	5,364	Bank accounts in credit	62,251	(53,223)	9,029
25,507	(20,143)	5,364	Total bank current accounts	62,251	(53,223)	9,029

The Council has an agency arrangement in place to hold funds on behalf of third parties. Details of the amounts held at 31 March 2025 are

31 March		31 March
2024		2025
£000	Notes	£000
	Monies held on behalf of vulnerable	
11,112	adults	11,568

g - Nature and extent of risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risk:

- Credit risk - the possibility that other parties might fail to pay amounts due to the authority - **4.2.14h.**
- Market risk - the possibility that the financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements - **4.2.14i.**
- the possibility that the Authority might not have funds available to meet its commitments to make payments - **4.2.14j.**

the Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the city council in the annual Treasury Management Strategy Statement. The council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

4.2.14 Financial Instruments (continued)

h - Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by credit ratings services. Deposit risk is also managed by limiting the level of investments placed with counterparties, but subject to regular review.

The council has made significant efforts to further protect the capital of the Authority and mitigate against this risk in line with its Treasury Management Strategy Statement, including:

- (a) the quarterly reporting of Treasury Management activity to the council's Audit and Standards Committee;
- (b) Use of the Debt Management Office (DMO), the Government's investment vehicle, and the most secure place to invest;
- (c) Investments are limited to £10m for the highest rated or government owned institution except in the case of the DMO which has no limit. The use of money market funds to a maximum level as advised by the council's treasury management advisors,
- (d) Utilising professional advice from external treasury advisers on the credit worthiness of counterparties;
- (e) Utilising all market and other 'soft' information which officers research through the financial press and independent advice;
- (f) Investing funds only in the UK durations below 12 months until it is safe to do otherwise (in accordance with the Council's Treasury Management Strategy).

The Authority's maximum possible exposure to credit risk in relation to funds held as investments by the council at the Balance Sheet date is £22,990,000. As the deposits rest with several financial institutions the risk of any single institution failing to make interest payments or repay the principle sum will be specific to each individual institution. It is not expected for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at 31 March 2025 that this was likely to crystallise. The figure does not include balances held by Cheque Book Schools.

No credit limits were exceeded during the reporting period and the authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

4.2.14 Financial Instruments (continued)

h - Credit Risk

Treasury Investments

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

31 March 2024			31 March 2025		
Long-term	Short-term		Long-term	Short-term	
£000	£000		£000	£000	
-	24,030	AAA	-	22,990	
-		On-call Account	-	751	

Trade Receivables

The City Council operates a Corporate Debt Management Policy which endeavours to keep outstanding debt at a minimum. The policy provides the framework for a consistent and sensitive approach to collecting debt whilst at the same time ensuring the council continues to maximise collection performance. Wherever possible the council will try to distinguish between those who cannot pay with those who will not pay.

The following analysis summarises the Council's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

31 March 2024 £000		31 March 2025 £000
61,706	Past due < 3 months	65,055
3,349	Past due 4 - 12 months	9,784
14,244	Past due 12+ months	12,164
79,299	Gross receivables	87,003
(9,202)	Less: loss allowance	(9,804)
70,097	Net receivables	77,199

4.2.14 Financial Instruments (continued)

h - Credit Risk

Loss allowances on trade receivables have been calculated by reference to the Council's experience of default. Receivables for credit risk in the following groupings:

31 March 2024		31 March 2025	
Gross receivable £000	Loss allowance £000	Gross receivable £000	Loss allowance £000
31,037	(3,121)	33,179	(3,118)
2,262	(1,217)	4,309	(1,115)
3,953	(1,238)	4,516	(1,289)
3,674	(2,300)	2,995	(1,932)
33,798	(1,326)	38,977	(2,350)
4,576	-	3,027	-
79,299	(9,202)	87,003	(9,804)
5,268	-	9,469	-
20,533	(12,915)	23,197	(14,049)
4,954	(3,126)	5,402	(3,409)
1,923	(14)	2,411	(15)
111,977	(25,257)	127,482	(27,277)

4.2.14 Financial Instruments (continued)

h - Credit Risk

Loans and Loan Commitments

In furtherance of the Council's service objectives, it has lent money to Fortior Homes Ltd and GenR8 Smithfield Hotel Ltd. At 31 March 2025 £38.6m has been drawn down by Fortior Homes. The City Council also has a number of smaller loans at below market rate.

The amounts recognised on the balance sheet, and the Council's total expected credit loss allowance and credit risk for these instruments are shown in the table below.

31 March 2024			31 March 2025		
Balance	Expected		Balance	Expected	
Sheet	Credit Loss		Sheet	Credit Loss	
£000	Allowance		£000	Allowance	
	£000			£000	
Loans at Market Rates					
38,566	(2,217)	Fortior Homes Ltd	38,566	(2,217)	
9,120		- GenR8 Smithfield Hotel Ltd ¹	9,621	-	
790		- Cluster Loans	748	-	
3		- Mortgages	3	-	
Loans below Market Rates					
2,163		- Kickstart ¹	2,101	-	
74		- Home Improvement Loans ¹	69	-	
2		- Empty Homes Loans	2	-	
Loan Commitment at Market Rates					
-	(1,206)	Fortior Homes Ltd	-	(1,206)	
50,718	(3,423)	Total	51,110	(3,423)	

¹ Classified as Financial assets held at fair value through profit and loss

The Council manages the credit risk inherent in its loans for service purposes and loan commitments in line with its published investment strategy.

4.2.14 Financial Instruments (continued)

h - Credit Risk

Loans and Loan Commitments

For loans classified as held at amortised cost, loss allowances have been calculated with consideration of the probability that a default event will take place within the next 12 months. The risk of default will be monitored on an ongoing basis. Where there is evidence of a significant increase in credit risk, lifetime expected losses will be calculated.

A reconciliation of opening to closing loss allowances on loans for service purposes is as follows:

	12-month expected credit losses £000	Simplified approach for receivables £000	Total loss allowance £000
Opening allowance as at 1st April 2024	-	27,747	27,747
New loans made	-	-	-
Reversal of impairment	-	-	-
Movement in trade debtors impairment	-	(490)	(490)
Closing allowance as at 31st March 2025	-	27,257	27,257

i - Market Risk

The Authority does not generally invest in equity shares for the purposes of treasury management. The Council does have shareholdings to the value of £15,728m, which have arisen through the creation of wholly owned subsidiaries and joint working arrangements. The authority is not in a position to limit its exposure to price movements by diversifying its portfolio and is consequently exposed to losses arising from movements in the price of the shares.

The £15,728m shares are all recognised as 'fair value through other comprehensive income and expenditure, meaning that all movements in price will impact on gains and losses in Other Comprehensive Income and Expenditure.

4.2.14 Financial Instruments (continued)

j - Liquidity Risk

The Authority has a comprehensive cash flow management process that seeks to ensure that cash is available as needed, Should unexpected movements happen, the Authority has ready access to short term funding. There is no significant risk that it will not be able to raise finance to meet its commitments under financial instruments. The City Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future, to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The City Council limits how much it will borrow through its Treasury Management Strategy and Prudential Indicators. Which takes account of whether it is prudent to take new loans out and, where it is economic to do so, make early repayments.

Outstanding Debt Liabilities

The City Council has the following debt liabilities (excluding sundry creditors) on its balance sheet:

31 March 2024 £000	31 March 2024 £000	31 March 2024 £000	Interest Rates % Column1	Note	Interest Rates %	31 March 2025 £000	31 March 2025 £0002	31 March 2025 £0003
Source of Loan								
615,434			3.38	Public Works Loan Board	4.06	709,074		
102,858			3.28	Market Loans	3.84	20,000		
51,955				PFI	4.2.13a	43,336		
704			3.32	Finance Lease Liabilities	4.2.14j	597		
-	5,480			Interest Accrual		-	6,506	
4,454				Transferred Debt		2,625		
775,405	5,480		Total			775,632	6,506	
Principal	Interest	Total	Payable as follows:			Principal	Interest	Total
128,177	23,777	151,954	Less than one year			40,994	26,489	67,483
32,151	45,227	77,378	Between one and two years			45,768	18,504	64,272
99,660	57,866	157,526	Between two and five years			164,686	64,363	229,049
101,819	62,127	163,946	Between five and ten years			117,665	80,531	198,196
413,600	195,182	608,782	More than ten years			406,519	124,967	531,486
775,407	384,179	1,159,586	Total			775,632	314,854	1,090,486

4.2.14 Financial Instruments (continued)

j - Liquidity Risk

Finance Lease Liabilities

The City Council has 4 current finance leases ranging from 1 to 8 years. Interest payable (£0.022m) on the outstanding lease liability at 1 April 2024 (£0.704m) gave an associated interest rate of 3.12%

31 March 2024 £000	Interest Rates %	Source of Loan	Note	Interest Rates %	31 March 2025 £000
807		Opening Balance			704
-		New Finance Leases			-
(103)		Repayment of Principal			(107)
704	3.32%	Closing Balance		3.12%	597
		Payable as follows:			
106		Less than one year			110
340		Between one and two years			351
258		Between two and five years			136
-		Between five and ten years			-
-		More than ten years			-
704		Total			597

4.2.15 Provisions

	Liability Insurance Claim £000	Business Rates Appeals £000	Expected Credit Loss Allowance £000	Other Provisions £000	Total £000
Balance at 1 April 2024	5,038	5,156	1,206	609	12,009
Additional provisions made in 2024/25	1,796		-	1	1,797
Amounts used in 2024/25	(1,498)	(2,990)	-	(119)	(4,607)
Unused amounts reversed in 2024/25		(389)	-	(191)	(580)
Transferred to non-current assets	-	-	-	-	-
Balance at 31 March 2025	5,336	1,777	1,206	300	8,619
of which:					
- Short term liability					2,029
- Long term liability					6,590
					8,619

Liability Insurance Claims

These provisions are for settlement of claims for compensation for personal injury, loss or damage to property due to alleged negligence. All claims are dealt with on a legal liability basis and the provision for each claim is assessed by the Council's insurers or legal advisers based on the information available and experience of the type of claims involved and adjusted individually as further information becomes available until either a settlement is made and the claim is closed or the claim is successfully defended. Provisions include associated legal costs. The Council currently self-funds a £240,000 excess for each and every claim with a "stop loss" amount for each insurance year and the provisions are net of amounts payable by insurers.

Business Rates Appeals

The provision reflects an estimate of the potential loss of income to Stoke-on-Trent City Council which could arise in future years as a result of those appeals still outstanding at 31 March 2025.

Expected Credit Loss Allowance

The City Council has a contractual commitment to make loans of up to £39.56m to Fortior Homes Ltd, at some point in the future. As at 31 March 2025, £38.50m had been drawn down. Under IFRS 9, a loss allowance is needed to reflect potential defaults if the borrower were to exercise their drawdown rights. The expected credit loss reflects the expectations that the loans will be drawn down in the next year.

4.2.16 Grants

a - Grant Income - Credited to Net Cost of Services

Restated Source 2023/24 £000	Service Area	Type of Funding/Grant	2024/25 £000
90,131 DFE	Schools	DSG	100,602
45,101 DWP	Benefits	Benefit Payments - Rent Allowances	47,477
24,429 DHSC (OHID)	Public Health	Public Health Grant	25,148
20,873 DWP	Benefits	Benefit Payments - Rent Rebates	20,722
15,398 MHCLG	Adult Social Care & All-Age Commissioning	Better Care Fund	15,398
8,294 MHCLG	Resources	PFI - Schools	8,294
4,102 DFT	Housing, Regeneration & Operations	Affordable Fares Grant	6,461
5,144 MHCLG	Adult Social Care & All-Age Commissioning	Adult Social Care Market Sustainability	5,827
5,375 DWP	Adult Social Care & All-Age Commissioning	Household Support Fund	5,373
2,664 DLUHC	City Director	UK Shared Prosperity Fund	5,235
4,790 MHCLG	Adult Social Care & All-Age Commissioning	PFI - Extra Care	4,790
3,050 DHSC (OHID)	Public Health	Drug & Alcohol Treatment/Reduction Grants	4,267
881 Homes England	Housing, Regeneration & Operations	Housing Infrastructure Fund - Burslem Town Centre	3,832
4,113 DOH	Adult Social Care & All-Age Commissioning	Hospital Discharge Fund	3,598
3,210 DFE	Children and Family Services/Schools	Pupil Premium	3,240
2,912 Home Office	Housing, Regeneration & Operations/Children and Families	Asylum Dispersal Grant	2,427
1,700 MHCLG	Children and Family Services	Troubled Families Grant	1,979
1,959 MHCLG	Housing, Regeneration & Operations	Rough Sleeping Grant	1,685
1,561 DFE	Children and Family Services/Schools	Holiday Activities & Food Programme	1,560
1,351 MHCLG	Housing, Regeneration & Operations	PFI - Street Lighting	1,351
1,346 MHCLG	Resources	PFI - Bentilee District Centre	1,346
390 DFE	Children and Family Services/Schools	Step Up to Social Work	1,292
1,244 DFE	Children and Family Services/Schools	Family Hubs - Start for Life Grant	1,189
1,071 MHCLG	Housing, Regeneration & Operations	Homelessness Prevention Grant	1,113
1,022 SFA	Children and Family Services/Schools	Adult & Community Learning Grant	1,015
9,300 Various	Various	All Other	12,514
261,411	Total		287,733

4.2.16 Grants (continued)

b - Credited to Taxation and Non-specific Grant Income

Capital 2023/24 £000	Revenue Source 2023/24 £000	Grant Type	Capital 2024/25 £000	Revenue 2024/25 £000
	24,790	MHCLG Social Care Support Grant		32,438
	27,056	MHCLG Revenue Support Grant		28,848
	12,437	MHCLG S31 Grant Multiplier Cap		17,423
	4,103	MHCLG NNDR Extended Retail Discount		3,965
	4,626	MHCLG Small Business Relief Grant		3,915
		MHCLG Safety Net Returned Funding		1,222
	7,080	MHCLG Various Others <£750K		2,005
373		MHCLG Shared Prosperity Fund	1,267	
		MHCLG Community Recovery Fund	9	
		MHCLG Local Authority Housing Fund	40	
		MHCLG Social Housing Decarbonisation Fund	1,396	
		MHCLG High Street Accelerator	286	
		MHCLG Brownfields Land Release Fund	2,217	
3,744		MHCLG Disabled Facilities Grant	4,273	
8,089		MHCLG Levelling Up	19,800	
192	Department for Education	Devolved Formula Capital	114	
5,209	Department for Education	High Needs Provision	1,491	
350	Department for Education	Schools Condition Capital	263	
	Department for Education	Basic Need	3,714	
4	Department for Education	Family Hubs	124	
3,546	Department for Transport	Local Transport Plan	3,114	
	Department for Transport	Active Travel	137	
8,475	Department for Transport	Bus Service Improvement Plan	7,900	
2,227	Department for Transport	Pothole	1,321	
	Department for Transport	Network North	378	
	Department for Transport	LEVI	2,693	
	Department for Transport	Transforming Cities	12,809	
2,576	Private Sector Contributions	Other	971	
2,012	Public Sector Contributions	Other	189	
435	Department for Education	Childcare Wraparound		
65	Department for Transport	Traffic Light Signal Obsolescence		
1	Homes and Communities Agency (Homes England)	Other	2,091	
37,298	80,092	Total	66,597	89,816

4.2.16 Grants (continued)

c - Grants - Receipts in Advance

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are below.

2023/24 Funder £000	2024/25 £000
Capital	
230 Department for Education (DfE)	132
Department for Transport	1,665
40 Department for Levelling Up, Housing & Communities	649
271 Public Sector Contributions	512
374 Homes and Communities Agency	344
Arts Council	8
Historic England	113
223 Other	163
1,040 Revenue	6,364
2,178 Total	9,950

All grants, contributions and donations received that have conditions attached which have not been satisfied as at 31st March 2025 are held within current liabilities as they are expected to be recognised as income within the next 12 months.

4.2.16 Grants (continued)

d - Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE), the Dedicated Schools Grant (DSG). An element of the grant is recouped by the DfE to fund academy schools directly.

DSG is ring-fenced and can only be applied to meet expenditure properly included in the School Finance (England) Regulations 2012. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are as follows:

	Central Expenditure £000	ISB £000	Total £000
Final DSG for 2024/25 before academy and high needs recoupment			318,155
Reduction for reallocation to Academies			220,168
Total DSG after Academy and High Needs recoupment for 2024/25			97,987
Plus: Brought forward from 2023/24			8,828
Less: Carry-forward to 2025/26 agreed in advance			-
Agreed initial budget distribution in 2024/25	61,910	44,905	106,815
In year adjustments		(1,613)	(1,613)
Final budget distribution for 2024/25	61,910	43,292	105,202
Less: Actual central expenditure	(63,259)	-	(63,259)
Less: ISB deployed to Schools	-	(43,171)	(43,171)
Plus local authority contribution for 2024/25	-	-	-
Carry forward in year to 2025/26	(1,349)	121	(1,228)
Carry forward to 2025/26 agreed in advance			-
Carry forward to 2025/26 agreed in advance	(1,349)	121	(1,228)
			-
DSG Unusable Reserve at the end of 2024/25			(21,202)
Addition to DSG unusable reserve at the end 2024/25			(1,228)
Total of DSG unusable reserve at the end of 2024/25			(22,430)
			-
Net DSG position at the end of 2024/25			(22,430)

4.2.17 Officers Remuneration

Disclosure of Senior Officers Remuneration

The following table shows senior employees whose salary is greater than £50,000 per year

2023/24						2024/25					
Salary, Fees and Allowances (£)	Expense Allowances (£)	Compensation for Loss of Office (£)	Pension Contributions (£)	Total (£)	Post title and name	Salary, Fees and Allowances (£)	Expense Allowances (£)	Compensation for Loss of Office (£)	Pension Contributions (£)	Total (£)	
Senior employees whose salary is £150,000 pr more per year											
183,473	-	-	39,997	223,470	Chief Executive - Jon Rouse*	183,473	-	-	39,997	223,470	
Senior employees whose salary is between £50,000 and £150,000 per more per year											
117,791	22	4,714	25,678	148,205	Corporate Director - Children & Families**	8,732	-	-	2,682	11,414	
126,408	-	-	27,557	153,965	Corporate Director - Housing, Regeneration and Operations ***	146,473	66	-	31,931	178,470	
110,154	-	-	24,013	134,167	Director -Legal,Governance and Customer Services (Monitoring Officer)	112,908	-	-	24,614	137,522	
148,628	-	-	32,400	181,028	Corporate Director - Resources (Section 151 Officer)	156,258	-	-	34,064	190,322	
82,826	-	-	18,056	100,882	Corporate Director- Public Health,Protection and Wellbeing ***	147,647	-	-	32,187	179,834	
146,238	-	-	31,880	178,118	Corporate Director - Adult Social Care,All Age Commissioning	156,258	-	-	34,064	190,322	

During the year an additional lump sum Employers' contribution payment was made to reduce the pension fund liability. This secondary contribution is equivalent to 12.2% of salary.

* Chief Executive - Signed up for 50:50 employees pension contribution arrangement. This means that they are entitled to only half of the benefit from the employer contributions, the remainder of which goes into the pension fund for the benefit of all members.

In 2024/25, the Chief Executive opted **not to** take the nationally agreed pay award.

** Corporate Director of Children & Families commenced their post on 10/03/2025. The position was previously occupied by an interim up to 20/03/2025. Please note that remuneration details for interim postholders are not disclosed.

*** Corporate Director - Public Health, Protection and Wellbeing started their role part way through 2023/24

4.2.17 Officers Remuneration (continued)

Number of employees excluding senior employees receiving total remuneration above £50,000 including expense allowances chargeable to income tax and an estimated value of other benefits by excluding employer's pension.

2023/24					2024/25				
Teaching staff	Non-teaching staff	Total employees ¹	Left in year	Range	Teaching staff	Non-teaching staff	Total employees ¹	Left in year	
6	160	166	9	£50,000 - £54,999	19	153	172	3	
8	44	52	10	£55,000 - £59,999	7	82	89	5	
6	25	31	4	£60,000 - £64,999	2	21	23	2	
1	16	17	4	£65,000 - £69,999	6	21	27	1	
3	19	22	2	£70,000 - £74,999	1	15	16		
1	12	13	3	£75,000 - £79,999	3	12	15	1	
2	5	7	2	£80,000 - £84,999	-	10	10	1	
1	2	3	1	£85,000 - £89,999	2	4	6	2	
1	1	2	1	£90,000 - £94,999	1		1	-	
-	1	1	-	£95,000 - £99,999	-	1	1	-	
-	1	1	-	£100,000 - £104,999	-	1	1	-	
-	1	1	-	£105,000 - £109,999	-	6	6	-	
-	4	4		£110,000 - £114,999	-	2	2	-	
-	-	-	-	£115,000 - £119,999	-		-	-	
-	1	1	1	£120,000 - £124,999	-		-	-	
-	-	-	-	£125,000 - £129,999	-	1	1	-	
-	-	-	-	£130,000 - £134,999	-		-	-	
-	-	-	-	£135,000 - £139,999	-	1	1	-	
-	-	-	-	£140,000 - £144,999	-	1	1	-	
-	-	-	-	£145,000 - £149,999	-	-	-	-	
-	-	-	-	£150,000 - £154,999	-	-	-	-	
-	1	1	-	£155,000 - £159,999	-	-	-	-	
-	-	-	-	£160,000 - £164,999 ²	-	1	1	-	
-	-	-	-	£165,000 - £169,999	-	-	-	-	
-	-	-	-	£170,000 - £174,999	-	-	-	-	
-	-	-	-	£175,000 - £179,999	-	-	-	-	
-	-	-	-	£180,000 - £184,999	-	-	-	-	
-	-	-	-	£185,000 - £189,999	-	-	-	-	
				£200,000 - £204,999	-	1	1	1	
29	293	322	37	Total	41	333	374	16	

1 Includes 4 (4 - 2023/24) employees in receipt of compensatory payments for redundancy which has moved their remuneration into the >£50k banding.

2. Includes HM Coroner

4.2.18 Termination Benefits and Exit Packages

The authority terminated the contracts of 22 employees in 2024/25. A total of £0.583 million in compensatory payments was incurred (including redundancy costs and post employment notice pay, where notice not worked) plus an additional £0.528 million re payments to the pension fund in respect of actuarial strain costs. One person has committed to leave in 2025/26 and a total of £5k has been included in a provision.

2024/25 Range	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages Agreed	Compensation for Loss of Office	Actuarial Pension Strain	Total Cost of Exit Packages
				£'000	£'000	£'000
£0 - £20,000	4	7	11	86	-	86
£20,001 - £40,000	-	4	4	94	32	126
£40,001 - £60,000	-	-	-	-	-	-
£60,001 - £80,000	-	1	1	13	66	79
£80,001 - £100,000	-	2	2	117	51	168
£100,001 - £150,000	-	3	3	214	198	412
£150,001 - £200,000	-	-	-	-	-	-
£200,001 - £250,000	-	1	1	59	181	240
Total	4	18	22	583	528	1,111
2023/24 Range	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages Agreed	Compensation for Loss of Office	Actuarial Pension Strain	Total Cost of Exit Packages
£0 - £20,000	3	44	47	359	8	367
£20,001 - £40,000	-	31	31	777	151	928
£40,001 - £60,000	-	22	22	831	239	1,070
£60,001 - £80,000	-	11	11	433	338	771
£80,001 - £100,000	-	6	6	297	224	521
£100,001 - £150,000	-	6	6	271	479	750
£150,001 - £200,000	-	1	1	53	121	174
£200,001 - £250,000	-	-	-	-	-	-
Total	3	121	124	3,021	1,560	4,581

4.2.19 Pensions

The City Council offers certain retirement benefits to its employees as part of their terms and conditions of employment and participates in the following schemes:

a - Teachers Pension Scheme & NHS Pension Scheme Teachers employed by the City Council are members of the Teachers' Pension Scheme (TPS) administered by the Teachers Pensions Agency (TPA). Public Health staff are members of the NHS pension scheme. Both of these schemes provide members with defined benefits on retirement, and the City Council pays towards the cost by making contributions. Although both schemes are unfunded, they use a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. It is not possible for the Council to identify a share of the underlying liabilities in these two schemes attributable to its own employees

For the purposes of these accounts, they are therefore accounted for as defined contribution plans. The City Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the schemes. These benefits are accrued within the pension liability. In 2024/25 the City Council paid employer's contributions to the TPS of **£2,447,981** (2023/24 £2,228,981). Employer contributions in respect of the NHS scheme amounted to **£111,811** in 2024/25 (2023/24 £210,612). The employer contribution to the TPS was **28.70%** of pensionable pay for 2024/25 (2023/24 23.68%). Employer contributions to the NHS scheme was **14.40%** (2023/24 16.88%) of public health staff pay. Total pensionable pay for the year re the TPS, after Academy transfers, was **£8,535,500** (2023/24 £9,412,928) & **£777,546** (2023/24 £1,194,387) re the NHS scheme.

Employer's contributions for the year to 31 March 2026 will be approximately **£2.9m** re the TPS, before Academy Transfers which have not yet been formalised. Employer's contributions for the year to 31 March 2026 will be approximately **£0.1m** re the NHS scheme.

b - Local Government Pension Scheme The Local Government Pension Scheme, administered locally by Staffordshire County Council and called the Staffordshire Pension Fund, was a funded defined benefit final salary scheme until 31st March 2014 (at which point it became a 'career average'). The City Council and its employees pay contributions into a fund, which provides its members with defined benefits relating to pay and service. Although these benefits will not actually be payable until employees retire, the City Council has a commitment to make the payments (for those benefits) and to account for them at the time that employees earn their future entitlement.

The contributions are based on rates that are determined by Hymans Robertson, the Pension Fund's professionally qualified actuaries, calculated at a level intended to balance the pensions liabilities with investment assets. The contributions are calculated on a triennial basis on full valuations of the fund. The last triennial valuation date was at 31 March 2022, the next triennial review was due 31 March 2025.

4.2.19 Pensions (continued)

The objectives of the scheme are to remove any deficit. The Pension Fund has agreed a strategy with the scheme's actuary to achieve this within the next 20 years. Funding levels are reviewed on an annual basis. The next triennial valuation is due to be completed on 31st March 2025. In 2024/25 the City Council paid an employer's contribution based on **21.80%** (2023/24 – 21.80%) of employees' pensionable pay. This was made up of **17.7%** in respect of current service (ie pension earned within the current year), the remainder being in respect of prior years' deficit recovery. Total pensionable pay for the year, after Academy transfers, was **£120,724,995**. The Actuary estimates that the Employer's contributions for the year to 31 March 2026 re the LGPS will be approximately **£26.6m** which includes **£7.888m** in respect of a lump sum payment for 2025/26 secondary contributions. Discretionary retirement benefits awarded constitute an unfunded defined benefit arrangement under which liabilities are recognised when awards are made.

Effects of early retirements and unfunded benefits are considered in the Actuarial Assumptions and calculations. However, there are no investment assets built up to meet this type of pension liability and the funds have to be paid by the Council to meet the additional pension payments as they eventually fall due.

The Staffordshire Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Staffordshire County Council. The Pensions Committee, which consists of 9 elected members & 6 non-voting representatives (5 from the Consultative Forum and 1 representing retired scheme members), is responsible for : setting overall strategy; monitoring performance; administering the scheme and; approving policy. Policy is determined in accordance with the Pensions Fund Regulations.

The Pensions Panel (consisting of 5 elected members), which reports to the Pensions Committee, is responsible for appointing investment managers; monitoring performance and; recommending strategy to the Pensions Committee. In addition, following the new regulations which came into force in April 2015, there is now a Pensions Board consisting of 6 members (of which 3 will be representatives of the Scheme Membership, and 3 will be representatives of the Employers within the Scheme) which will scrutinise the decisions made by the Pensions Committee & the Pension Panel.

In line with the Government's directive for LGPS schemes to pool assets, the Staffordshire Pension fund is now part of a pool known as the LGPS Central Limited. This pool was approved by Central Government in November 2016. LGPS Central Ltd has 9 members, 8 of which have voting rights : Staffordshire Pension Fund; Cheshire Pension fund; Worcestershire County Council; Derbyshire County Council; Leicestershire County Council; Nottinghamshire County Council; Shropshire County Pension Fund &; West Midlands Pension Fund. The 9th member, with no voting rights, is West Midlands ITA which is managed by the West Midlands Pension Fund. There are new Governance structures in place to accommodate this.

4.2.19 Pensions (continued)

The principal risks to the City Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (ie large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated by the statutory requirement to charge to the General Fund and Housing Revenue Account the amounts required by statute that aim to reflect the Act.

In addition, any deficit remaining upon insolvency of any employers within the Staffordshire Pension Fund would fall to the other employers within the scheme. In order to minimise this eventuality, there is a risk assessment of all employers which is regularly monitored & kept up-to-date and action strategies in place for each eventuality. For example, an employer whose risk assessment indicates a less strong covenant will generally be required to pay higher contributions. uaries estimate of contributions necessary to balance liabilities & investments. Included in Other Comprehensive Income and Expenditure is an analysis of the remeasurements of the scheme identified as movements on the Pensions Reserve. Remeasurements are recognised immediately in the period in which they occur.

Any benefits promised under the formal terms of the scheme have been included in the pension scheme liabilities. The assets of the scheme have been measured at their fair value, which complies with the Code regulations for IAS 19. Scheme liabilities have been deducted., Definitions of the elements contained in the tables below are shown in the glossary at the end of these accounts. The weighted average duration of the defined benefit obligation for LGPS Scheme Members is 18.0 years.

4.2.19 Pensions (continued)

c - Comprehensive Income and Expenditure Statement

The cost of post employment/retirement benefits reported in the net cost of services are recognised when they are earned by employees rather than when the benefits are actually paid as pensions. While charged to the net cost of services, this is not a proper charge to the general fund and is reversed out via the movement in reserves statement to the pensions reserve. The proper charge to the general fund is represented by the cash paid in the year to the superannuation fund representing employer contributions.

Comprehensive Income and Expenditure Statement	LGPS 2023/24 £000	LGPS 2024/25 £000	TPS 2023/24 £000	TPS 2024/25 £000	Total 2023/24 £000	Total 2024/25 £000
- current service cost	23,710	21,578	-	-	23,710	21,578
- past service costs incl curtailments	1,577	809	-	-	1,577	809
- settlements	(3,731)	(474)	-	-	(3,731)	(474)
Within Net Cost of Services:	21,556	21,913	-	-	21,556	21,913
- net interest expense	5,517	5,165	1,043	1,031	6,560	6,196
Within Financing and Investment Income and Expenditure	5,517	5,165	1,043	1,031	6,560	6,196
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	27,073	27,078	1,043	1,031	28,116	28,109
Remeasurement of the net defined benefit liability comprising:						
- return on plan assets (excluding the amount included in the net interest expense)	40,039	187,579			40,039	187,579
- changes in demographic assumptions	(6,993)	(2,046)	(549)	(38)	(7,542)	(2,084)
- changes in financial assumptions	(66,721)	(177,509)	(156)	(1,427)	(66,877)	(178,936)
- other experience	38,142	(12,892)	858	(708)	39,000	(13,600)
Within Other Comprehensive Income and Expenditure	4,467	(4,868)	153	(2,173)	4,620	(7,041)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	31,540	22,210	1,196	(1,142)	32,736	21,068

4.2.19 Pensions (continued)

d - Movement in Reserves Statement

	LGPS 2023/24 £000	LGPS 2024/25 £000	TPS 2023/24 £000	TPS 2024/25 £000	Total 2023/24 £000	Total 2024/25 £000
Movement in Reserves Statement						
- reversal of net charges against the General Fund Balance for the Provision of Services	(27,073)	(27,078)	(1,043)	(1,031)	(28,116)	(28,109)
- employers' contributions payable to the pension scheme	37,118	29,343	1,891	1,896	39,009	31,239
Movement in Pension Reserve	5,578	7,133	695	3,038	6,273	10,171

e - Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the City Council's obligation in respect of its defined benefit plans is shown in the table below. As can be seen, the balance sheet has improved from last year. This is mainly a result of a higher discount rate applied, in line with regulations.

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 Restated £000	2023/24 £000	2024/25 £000
Present value of liabilities: All Pension Schemes	(1,311,193)	(1,722,672)	(1,653,796)	(1,167,958)	(1,166,182)	(1,008,781)
Present value of liabilities: Discretionary Benefits	(45,824)	(48,823)	(44,790)	(36,495)	(35,206)	(30,603)
	(1,357,017)	(1,771,495)	(1,698,586)	(1,204,453)	(1,201,388)	(1,039,384)
Fair value of assets in the LGPS	978,486	1,277,383	1,419,498	1,050,243	1,069,368	917,535
Net pension asset/(liability) on the balance sheet	(378,531)	(494,112)	(279,088)	(154,210)	(132,020)	(121,849)
Pension Contribution in Advance			13,184		15,919	7,888
Net Pension Reserve	(378,531)	(494,112)	(292,272)	(154,210)	(147,939)	(129,737)

Figures shown include the Pension contribution asset of £7.9m (£15.9m - 2023/24). This represents the cash payment made in advance, to be recognised over two years.

In 2024/25, the Council has a net liability of £129.7m on the pension fund, this includes the lump sum contribution of £7.9m. In addition, we have calculated the effect of applying the asset ceiling accounting requirements which will result in the net asset position becoming a liability, both for opening and closing balance sheet.

4.2.19 Pensions (continued)

f(i) - Pensions Assets and Liabilities Recognised in the Balance Sheet

This table shows a reconciliation of the present value of the scheme assets and liabilities and the reason why they have changed from the previous year. In other words, it summarises the effect of all of the factors responsible for the movement in the assets and liabilities over the last year.

Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation)	LGPS 2023/24 £000	LGPS 2024/25 £000	TPS 2023/24 £000	TPS 2024/25 £000	Total 2023/24 £000	Total 2024/25 £000
Opening balance at 1 April	(1,181,564)	(1,179,194)	(22,889)	(22,194)	(1,204,453)	(1,201,388)
Current service cost	(23,712)	(21,578)	-	-	(23,712)	(21,578)
Interest cost	(55,642)	(56,612)	(1,043)	(1,031)	(56,685)	(57,643)
Contributions by scheme participants	(7,592)	(7,859)	-	-	(7,592)	(7,859)
Remeasurement (gains) and losses :	-	-	-	-	-	-
- changes in demographic assumptions	6,993	2,046	549	38	7,542	2,084
- changes in financial assumptions	66,721	177,509	156	1,427	66,877	178,936
- changes in experience	(38,142)	12,892	(858)	708	(39,000)	13,600
Benefits paid	47,370	52,093	1,891	1,896	49,261	53,989
Past service costs (including curtailments)	(1,577)	(809)	-	-	(1,577)	(809)
Settlements	7,951	1,284	-	-	7,951	1,284
Effect of Business Combinations & Disposals	-	-	-	-	-	-
Closing balance at 31 March	(1,179,194)	(1,020,228)	(22,194)	(19,156)	(1,201,388)	(1,039,384)

4.2.19 Pensions (continued)

f(ii)- Pensions Assets and Liabilities Recognised in the Balance Sheet

Reconciliation of Present Value of Scheme (plan) Assets	LGPS 2023/24 £000	LGPS 2023/24 £0002	TPS 2023/24 £000	TPS 2024/25 £0002	Total 2023/24 £000	Total 2024/25 £0002
Opening balance at 1 April	1,050,243	1,069,368	-	-	1,050,243	1,069,368
Interest income	50,125	51,447	-	-	50,125	51,447
Remeasurement gains and (losses) :			-	-	-	-
- the return on plan assets, excluding the amount included in the net interest expense.	(40,039)	(187,579)	-	-	(40,039)	(187,579)
- other					-	-
Employer contributions	54,928	31,239	-	-	54,928	31,239
Contributions by scheme participants	7,592	7,859	-	-	7,592	7,859
Benefits paid	(49,261)	(53,989)	-	-	(49,261)	(53,989)
Settlements	(4,220)	(810)	-	-	(4,220)	(810)
Effect of Business Combinations & Disposals			-	-	-	-
Closing balance at 31 March	1,069,368	917,535	-	-	1,069,368	917,535
Net Pension Asset/(Liability)	(109,826)	(102,693)	(22,194)	(19,156)	(132,020)	(121,849)

g- Pensions Assets and Liabilities Asset Ceiling adjustment

IAS 19 Employee Benefits require that where a pension plan asset exists, it is measured at the lower of surpluses in defined benefit plan and asset ceiling. The asset ceiling is the present value of any economic benefit available in the form of future refunds from the plan or reduction in future contributions to the plan, it takes into account the adverse effect of any minimum funding requirement in accordance with IFRIC14. The following show the impact of applying the asset ceiling to the Pension Asset values

	2023/24 £000	2024/25 £000
Present value of liabilities: All Pension Schemes	(1,166,161)	(1,010,053)
Present value of liabilities: Discretionary Benefits	(35,206)	(30,603)
	(1,201,367)	(1,040,656)
Fair value of assets in the LGPS	1,509,482	1,512,060
Net pension asset/(liability) before Asset ceiling adjustment	308,115	471,404
Asset Ceiling Adjustment	(440,135)	(593,253)
Net pension asset/(liability) After Asset ceiling adjustment	(132,020)	(121,849)

4.2.19 Pensions (continued)

h - Local Government Pension Scheme Assets

The Schemes assets consist of the following categories, by proportion and value of the total assets held:

	Quoted prices in active markets 2023/24 £000	Quoted prices not in active markets 2023/24 £000	Total 2023/24 £000	Percentage of total assets 2023/24 %	Quoted prices in active markets 2024/25 £000	Quoted prices not in active markets 2024/25 £000	Total 2024/25 £000	Percentage of total assets 2024/25 %
Equity Securities:								
- consumer	40,475		40,475	3%	21,991	-	21,991	1%
- manufacturing	20,167		20,167	1%	-	-	-	0%
- energy & utilities	9,204		9,204	1%	-	-	-	0%
- financial institutions	54,919		54,919	4%	21,168	-	21,168	1%
- health & care	41,387		41,387	3%	12,738	-	12,738	1%
- information technology	66,104		66,104	4%	12,972	-	12,972	1%
- Other			-	0%	-	-	-	0%
Debt Securities								
- corporate bonds (investment grade)	111,266		111,266	7%	115,184	-	115,184	8%
Private equity		78,664	78,664	5%	-	79,739	79,739	5%
Real Estate: Uk Property		110,333	110,333	7%	-	127,583	127,583	8%
Investment Funds & Unit Trusts:			-					
- equities	677,317		677,317	45%	751,492	-	751,492	49%
- bonds	117,300		117,300	8%	116,523	-	116,523	8%
- hedge funds		-	-	0%	-	-	-	0%
- Infrastructure		64,957	64,957	4%		90,965	90,965	6%
- other		78,303	78,303	5%	76,319	65,246	141,565	9%
Cash & cash equivalents	24,303	-	24,303	2%	34,758	-	34,758	2%
Total assets	1,162,442	332,258	1,494,700	100%	1,163,144	363,534	1,526,678	100%
Effect of Asset Ceiling			(425,332)				(609,143)	
Total Assets after Asset ceiling			1,069,368				917,535	

4.2.19 Pensions (continued)

h - Local Government Pension Scheme Assets

As is required by the pensions and (where relevant) investment regulations, the suitability of various types of investment have been considered, as has the need to diversify investments to reduce the risk of being invested in too narrow a range.

The return on the Fund in market value terms for the year to 31 March 2025, estimated based on actual Fund returns as provided by the Actuary and index returns where necessary, is :

- Actual Return from 01 April 2024 to 31 December 2024	(4.7) (7.1 previously)
- Estimated returns from 01 April 2025 to 31 March 2025	(2.1) (13.7 previously)

i - Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method of valuation. An estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates, salary levels etc. The Pension scheme has been assessed by Hymans Robertson.

The principal assumptions used by the actuary have been:

	2023/24	2024/25
Mortality assumptions:		
Longevity at 65 for current pensioners:		
- Men	20.5 years	20.4 years
- Women	23.4 years	23.4 years
Longevity at 65 for future pensioners:		
- Men	21.2 years	21.1 years
- Women	24.7 years	24.7 years
Rate of increase in salaries	3.3	3.3
Rate of increase in pensions	2.8	2.8
Rate for discounting scheme liabilities	4.9	5.8
Real discount rate for discounting scheme liabilities	2.1	3.1
Proportion of employees taking up commutation option		
- pre-April 2008 service	50.0	
- post-April 2008 service	75.0	

4.2.19 Pensions (continued)

j - Sensitivity Analysis

The estimation of the defined benefit liability is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes whilst all the other assumptions remain constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at year ended 31 March 2023	%	£000
0.1% decrease in real discount Rate	2	17,624
1 year increase in member life expectancy	4	41,626
0.1% increase in the Salary Increase Rate	0	592
0.1% increase in the Pension Increase Rate	2	17,528

The principal demographic assumption is the longevity assumption (ie member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the employer's defined benefit obligation by around **3 to 5%**. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption(i.e. if improvements to survival rates predominantly apply at younger or older ages).

4.2.20 Pooled Budgets and Other Arrangements (continued)

a - Pooled Budgets

Stoke-on-Trent City Council has pooled budget arrangements with external bodies, as follows:

- Youth Offending Services Pooled Budget - For the provision of Youth Offending Services. Partners with the Youth Justice Board, the Police, the Probation Service and Stoke-on-Trent Integrated Care Board (ICB)

At 31st March, the net position arising on the pooled budget was as follows:

31 March 2024 Restated £000	31 March 2025 £000
(294) Youth Offending Services Pooled Budget	(220)

Any (surplus)/deficit on the pooled budget for Mental Health Section 75 is managed through a carry forward agreement. The (surplus)/deficit on the Youth Offending Service Pooled Budgets are funded from reserves.

b - Better Care Fund

The Better Care Fund (BCF) programme spans both the NHS and local government. The programme has been created to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support, and providing them with ‘wraparound’ fully integrated health and social care to deliver a better quality of life.

In 2017/18 Stoke on Trent City Council and The Staffordshire and Stoke on Trent Integrated Care Board(ICB) entered into a Section 75 Framework Agreement of the National Health Service Act 2006 Pooled fund arrangement, known as Better Care Fund. Further agreements have since been entered into covering the financial years 2017/18 to 2024/25. The table below does not represent the full costs of support as the council and ICB also incur costs that are outside the pooling arrangement.

The agreed approach was that funding was identified to the BCF with the support services delivered by either the Council or ICB as appropriate. These arrangements are judged to lie solely with the respective public body and as such no joint control is exercised with the exception of the funding made available for the Integrated Community Equipment Service (ICES) which is a pooled budget as at the end of each financial year the ICES Board agrees on the use and sharing of any surplus or deficit, it is therefore judged to be a joint operation

4.2.20 Pooled Budgets and Other Arrangements (continued)

b - Better Care Fund

	Cost met by Authority £000	ICB Funded ASC delivered by NHS £000	ICB Contribution to Adults Social Care £000	Cost Incurred by ICB £000	Total £000
Enhanced Primary & Community Support	8,177	-	1,893	4,454	14,524
Ensuring Sustainability of Adult Social Care	12,934	-	11,786	255	24,975
Admission Avoidance/Discharge to Access	1,641	13,868	285	2,699	18,493
Total 2024/25	22,752	13,868	13,964	7,408	57,992
	c/f 24/25 £000	Pooled Funding Provided by Authority £000	Pooled Funding Provided by CCG £000	Cost met from the Pool £000	(Surplus)/deficit on the pool £000
Integrated Community Equipment Service	-	(557)	(1,116)	2,292	619

4.2.21 Debtors and Creditors

a - Long Term Debtors

31 March 2024 £000	Note	31 March 2025 £0002
2,163 Kickstart	4.2.14d(iii)	2,101
790 Cluster Loans		748
9,120 Smithfield Hotel Loan	4.2.14d(iii)	9,621
74 Home Improvement Loans	4.2.14d(iii)	69
1 Empty Homes Loans		2
1,904 Housing Benefit Overpayment		1,461
84 Other		82
14,136 Sub-total (Group Long Term Debtors)		14,084
36,348 Fortior Homes Loan		36,348
50,484 Total City Council Long Term Debtors		50,432

b - Short Term Debtors

31 March 2024 £000	Note	31 March 2025 £0002
3,904 Central Government Bodies		13,213
830 Academies		22
13,059 Other Local Authorities		2,449
2,149 NHS Bodies		6,506
66,778 Other Entities and Individuals		78,015
86,720 Total		100,205

c - Short Term Creditors

31 March 2024 £000	Note	31 March 2025 £0002
10,536 Central Government Bodies		2,742
1,197 Other Local Authorities		847
1,390 NHS Bodies		148
9 Academies		-
84,391 Other Entities and Individuals		113,076
97,523 Total		116,813

4.2.22 Related Party Transactions

The Authority is required to disclose material transactions with related parties, in words, bodies or individuals that have the potential to control or influence the City Council or to be controlled or influenced by the City Council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central government has effective control over the general operations of the Authority, as it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (such as those relating to council tax bills and housing benefits). A breakdown of grants received by funder in 2024/25 is shown in Note 4.2.16.

Members

Members of the City Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 4.2.23.

During 2024/25, the following members declared interests in related party companies which as 31st March 2025 had outstanding loans with the Authority.

The following Councillors are both Directors and Councillors for Fortior Homes (Rental) Limited:

Councillor Sarah Colclough (Current – Since June 2023)

Councillor David Mountford (Current – Since November 2023)

Details of all members' interests are available within the Members' Registers of Interest on the City Council website, stoke.gov.uk.

Officers

During 2024/25, no council officers declared material interests in related parties.

4.2.22 Related Party Transactions (continued)

Other Public Bodies

Stoke-on-Trent City Council has a pooled budget for the provision of Youth Offending Services

The other bodies involved in this include:

The Youth Justice Board, the Probation Service, Stoke-on-Trent Clinical Commissioning Group and Staffordshire Police Authority.

In 2015/16 Stoke on Trent City Council and Stoke on Trent Clinical Commissioning Group (CCG) entered into a Section 75 Framework Agreement of the National Health Service Act 2006 Pooled fund arrangement, known as Better Care Fund.

The year end balances for all of these arrangements are detailed in Note 4.2.20

Interest in Other Companies

In March 2024 Stoke-on-Trent City Council sold its 19% stake in Stoke-on-Trent Regeneration Limited, a joint venture with St Modwen launched in 1993.

4.2.22 Related Party Transactions (continued)

Entities Controlled or Significantly Influenced by the Authority

Details of all shareholdings can be found in note 4.2.14d.

Fortior Homes Limited - This company is wholly owned by Stoke-on-Trent City Council in order to deal with housing development.

Transactions and Balances

The City Council raised invoices against Fortior Homes Limited during 2024/25 £0.355m (£0.072 m in 2023/24) for charges incurred on behalf of the company during its establishment period and service charges. As at 31st March 2024/25 £Nil (£nil -2023/24) was outstanding.

In previous years, the City Council has also disposed of assets to Fortior Homes Limited. However, no disposals have taken place during 2023/24 and 2024/25.

As at 31 March 2024/25, included within short term debtors there is an intercompany balance of £.049m (£0.123m 2023/24) which the Fortior Homes Limited owes to City Council.

As at 31st March 2024/25, the City Council made loans to Fortior Homes Limited of £38.566m (£38.566m in 2023/24). Interest on the loans for the year is £1.729m (£1.770m in 2023/24).

Related Party Officers/Members

For the Financial year of 2024/25 Councillor Sarah Colclough and Councillor David Mountford were directors of Fortior homes Limited

Unitas Stoke on Trent Limited - This company is wholly owned by Stoke-on-Trent City Council in order to provide housing maintenance.

Transactions and Balances

The City Council raised invoices against Unitas Stoke-on-Trent Limited during 2024/25 of £8.241m (£6.293m in 2023/24) for charges incurred on behalf of the company during its establishment period and service charges. As at 31 March 2024/25 £3.121m (£ nil 2022/23) was outstanding.

Unitas raised invoices against the City Council during 2024/25 of £60.405m (£30.207m in 2023/24) for repairs and maintenance of housing stock and public buildings.

As at 31 March 2024/25, included within short term debtors is an intercompany balance of £1.42m (short term creditor of £1.56m in 2023/24) which Unitas Stoke-on-Trent Limited owes to the City Council.

Related Party Officers/Members

For the Financial year of 2024/25 Councillor Steve Watkins and Councillor Laura Carter were directors of Unitas Stoke-on-Trent Limited.

Unitas Stoke on Trent limited will cease to trade in 2025/26 and services provided to the Council will be handled in-house.

4.2.22 Related Party Transactions (continued)

Stoke Energyco Limited (Dormant) This company is wholly set up and owned by Stoke-on-Trent City Council in order to deal with green energy initiatives. In 2024/25, no transactions took place and the company is registered as dormant with both Companies House and HMRC.

Rhead Homes Limited (Dormant) This company was wholly set up and owned by Stoke-on-Trent City Council in order to build and provide private social housing. This company was dissolved on 30 January 2024

4.2.23 Members Allowances and Expenses/External Audit Costs

a - Members Allowances and Expenses

2023/24 £000	Note	2024/25 £000
830 Allowances		799
29 Expenses		24
859 Total		823

b - External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and non-audit services provided by the Authority's external auditors.

2023/24 £000	Note	2024/25 £000
606 Fees Payable to external auditors with regard to external audit services carried out by the appointed auditor for the year		350
15 Fees payable to external auditors for the certification of grant claims and returns for the year		72
- Fees payable to external auditors for other assurance work		-
621 Total		422

4.2.24 Notes to the Cash Flow Statement

a - Operating Activities

i - The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2023/24 £000	Note	2024/25 £000
(46,991) Depreciation	4.2.11h	(44,190)
(17,519) Impairment & Downward Valuations	4.2.8a	(14,347)
(2,426) Amortisations	4.2.11h	(3,427)
491 Increase/(decrease) in impairment for bad debts		(2,019)
(12,047) (Increase)/decrease in creditors		(21,291)
22,238 Increase/(Decrease) in debtors		21,101
(133) (Increase)/decrease in revaluation of stock (write offs)		(19)
39,510 Movement in pension liability		11,161
(45,336) Net carrying amount of non-current assets sold		(12,300)
(6,781) Other non-cash items charges to the net Surplus or Deficit on the Provision of Services		(5,499)
(68,994)		(70,830)

ii - The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2023/24 £000	Note	2024/25 £000
16,362 Proceeds for the sale of PPE, investment property & intangible assets	4.2.8	8,127
37,298 Any other items for which the cash effects are investing or financing activities		66,596
53,660		74,723

iii - Included in Net Cash Flows from operating activities

2023/24 £000	Note	2024/25 £000
(1,427) Interest received		(2,674)
26,840 Interest paid		22,029
- Dividends received		-

4.2.24 Notes to the Cash Flow Statement (continued)

b - Investing Activities

2023/24 £000	Note	2024/25 £000
103,888	Purchase of property, plant & equipment, investment property & intangible assets	95,123
-	- Purchase of short term and long term investments	-
(9,310)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(8,193)
(36,810)	Proceeds from short term and long term investments	260
	Other receipts from investing activities	(71,929)
57,768	Net cash flows from investing activities	15,261

c - Financing Activities

2023/24 £000	Note	2024/25 £000
8,560	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	7,939
1,609	Other payments from financing activities	(802)
133,576	Repayments of short and long-term borrowing	(1,446)
(6,704)	Other receipts from financing activities	(1,399)
(233,500)	Cash receipts of long-term borrowing	(11,183)
(96,459)	Net cash flows from financing activities	(6,891)

4.2.24 Notes to the Cash Flow Statement (continued)

d - Reconciliation of Liabilities arising from Financing Activities

1 April 2023 £000	Financing Cash Flows £000	Non Financing Cash Flows £000	31 March 2024 £000		Note	1 April 2024 £0002	Financing Cash Flows £000	Non Financing Cash Flows £000	31 March 2025 £000
575,391	50,000	(23,349)	602,042	Long-term borrowings		602,042	130,000	(42,047)	689,995
42,576	49,924	29,231	121,731	Short-term borrowings		121,731	(118,817)	43,493	46,407
807	(103)	-	704	Lease Liabilities	4.2.14j	704	(107)	-	597
60,412	(8,457)	4,403	56,358	PFI Liabilities	4.2.13b	56,358	(7,832)	(5,190)	43,336
6,282	(1,829)	-	4,453	Transferred Debt		4,453	(1,829)	-	2,624
685,468	89,535	10,285	785,288	Total Liabilities from Financing Activities		785,288	1,415	(3,744)	782,959

4.2.25 Contingent Assets and Liabilities

a - In 1992, Municipal Mutual Insurance (MMI) ceased to trade and now exists solely to discharge its responsibilities under policies that it had previously issued. These responsibilities relate mainly to legal liability claims, which will take many years to materialise and finalise. In the event of MMI's insolvency local authority policyholders had agreed to enter into a 'scheme of arrangement' under which there are claw-back provisions on claims payments made by MMI after the implementation of the scheme.

The scheme of administration has been triggered. In response to an initial levy of 15% the City Council has paid £177,005 to MMI from 01/01/2014 to 31/03/2016. In April 2016 the levy increased to 25% incurring a further charge of £118,003 with a maximum liability of £897,630. There is no indication at this stage as to whether a further levy will be applied but the scheme administrators have not ruled it out. The Council is uncertain as to whether further monies will be required to be set aside.

b - Potential liabilities exist regarding liability claims that pre date Local Government Reorganisation in 1974 when a number of services transferred to Staffordshire County Council including Education and Social Services. Potential liabilities also exist for other periods where the City Council does not hold verifiable evidence of Insurance cover. Any proven claims arising from these periods would have a financial consequence for the City Council that could exceed any insurance provisions that are currently held. The City Council is unable to estimate the value or timing of any obligations, hence, no amounts are recognised in the accounts in respect of this.

c - The City Council would be responsible for any pollution arising from closed landfill sites in any restored areas where it holds the relevant licence. Whether any pollution will arise is unknown as is the cost that would arise from such an incident. Hence, no monies have been set aside for such events as the risk is considered to be contingent at this time.

d - Claims under Part 1 of the Land Compensation Act 1973 may be made in respect of any public works undertaken by the City Council, between 1 year after opening of the works and 6 years after opening. Claims are for any depreciation in the value of an interest in land or property which is attributable to the use of public works. It is not possible in advance of the opening of a highway scheme, to value the likely scale or number of such claims.

e - The City Council had provided a guarantee for the pension liability relating to Unitas Stoke-on-Trent membership of the Local Government Pension Scheme (LGPS) under which it was responsible for any LGPS deficit relating to the Transferring Employees' membership of the LGPS . Given that Unitas is no longer trading and its staff have now transferred back to the City Council, the Council has assumed primary responsibility for pension liabilities in relation to these staff and the guarantee was terminated with the Council being released from its obligations under the guarantee.

4.2.25 Contingent Assets and Liabilities (Continued)

f - It is possible that the City Council will not be able to fulfil the full terms of the original agreement with respect to the Community Energy Scheme. This is in part due to the impact of the pandemic. The risk is being managed and kept under review. It is expected that the resolution to this issue will not involve the exchange of monies. Therefore a provision has not been recognised.

A group class action has been issued in the court against CES and Stoke City Council. The claim was issued on the 26 March 2025 and to date council has not been served with any papers. Proceedings are still in early stages. We are unable to quantify how much this cost as no details have been supplied. We are aware that the class action is in respect of over 240 tenants.

g - In February 2018, during a routine highway inspection, damage was noted to the adopted highway on Boatman Drive, a residential estate road. Following surveys and investigations of the highway and the vicinity with a view to providing increased certainty on the cause of the movement and extensive expert legal and engineering advice the Council served proceedings against Severn Trent Water and landowner Redrow Homes Limited at the High Court. It is noted that the legal proceedings brought by the Council relate to the defect on the adopted highway only. Proceedings are still at an early stage. The Council mitigates this risk by utilising the expert advice of experienced King's Counsel.

h - The council has carried out a small number of RAAC (Reinforced Autoclaved Aerated Concrete) surveys and so far no RAAC has been identified. Surveys will continue and increase in pace during year 2025-26.

As it is not possible to provide accurate indication of whether RAAC remedial work will be required or the financial indication of such works. The council has not made any provisions in the statement of accounts for the year ended 31st March 2025.

i - The council acts as intermediary between Academy schools and the PFI provider, the PFI contract will be expiring in October 2025, The council is not under any obligation to fix or pay for any uncompleted or remedial jobs after the contract has ceased, so no provision is set aside in respect of this.

j - Stoke-on-Trent City Council is in the process of pursuing a number of contractors relating to the rectification of latent defects under the Building Schools for the Future (BSF) programme, which originally ran from 2005-2010. The City Council were both the client and the contract administrator and therefore hold the obligation to manage the conclusion of the contract. The Council is working very closely with the DfE and the Council is currently pursuing the contractors in relation to several schools to ensure that an acceptable outcome is reached. If an acceptable outcome is not achieved there is no automatic liability owed by the Council to the schools. The Council has taken specialist external legal advice. Officers consider that the Council would have a high likelihood of success in defending any claim that may be brought against it. Therefore a provision has not been recognised.

4.2.26 Events after the Balance Sheet Date

Schools Conversions to Academies

The following school is in the process of converting to an Academy in 2025/26

As a result of the above school transfers to academy status, the school as an entity will need to be derecognised in the Council's accounts by writing off the net assets of the school to the Comprehensive Income and Expenditure Statement (CIES). The gain or loss on transfer will be recognised within then Financing and Investment Income and Expenditure line on the CIES.

School Name	Date	NBV of OLB as at 1 Apr 2025
Burnwood Primary School	2025/26	£9,882,000

Smithfield Hotel Loan

The City Council has an outstanding loan with GenR8 Smithfield Hotel Ltd for £9.1M.repayable in line with the legal agreement.

The council is in the process of renegotiating the terms of the loan with smithfield and a solution is being considered to further enhance the collectability of the Original loan over appropriate timescales

Unitas Maintenance Contract

The council is in the process of bringing the maintenance of properties delivered by its wholly owned Subsidiary Unitas Limited back in-house, with effect from financial year 2025/26

Schools PFI

The 25 year school PFI is due to expire in October 2025 , The maintained schools that have been excluded for the council's balance sheet during the PFI contract will come back on balance sheet . The council will also start to draw down for the PFI reserve set aside for addressing costs incurred after expiry of PFI contract ,

4.2.27 Going Concern

The Narrative Report outlines the ongoing financial challenges facing the Council, primarily driven by the increasing demand for, complexity of, and cost associated with children's social care placements. These pressures are further compounded by the continued impact of high inflation on the Council's pay bill and the rising cost of goods and services.

The application of the approved Exceptional Financial Support (EFS) for 2024/25, alongside stringent financial controls, has enabled the Council to maintain its General Reserve at its previous level, contribute to the Strategic Risk Reserve to strengthen future financial resilience, and protect capital receipts for the repayment of debt in due course. The EFS is underpinned by a clear strategy to invest in early help and targeted interventions aimed at reducing both the number of children entering care and the associated costs over the medium term.

In line with a growing number of local authorities nationally, the Council has incorporated the use of EFS into its financial planning to support improved sustainability, with a further £16.8 million being secured for 2025/26. The extension of EFS will help mitigate short-term budgetary pressures and facilitate increased investment in transformation and efficiency programmes, this supports the council's plan to stabilise the financial position over a the medium term. The Council is taking steps to minimise the amount of EFS required and will only draw down from this facility if necessary.

However, risks remain. Funding continues to be uncertain pending the long-awaited review of the local government funding formula - whilst the Government has expressed a commitment to direct resources toward deprived areas with a low tax base (characteristics which apply to Stoke-on-Trent) the precise financial implications of this commitment are not yet clear. An additional risk, not unique to Stoke-on-Trent, concerns the treatment of the High Needs deficit should the current statutory override be removed. This issue will ultimately require a national policy solution.

Although the use of EFS has so far created the conditions for improved financial sustainability, the Council retains the option to draw on reserves to set a balanced budget in the short term if needed. This flexibility supports the conclusion that the Council remains a going concern. This short-term contingency is part of a broader strategy that includes continued engagement with Government as it undertakes a comprehensive review of local government funding during 2025/26.

The Council has completed detailed cash flow modelling through to July 2026. These forecasts, based on prudent assumptions around service expenditure, staffing costs, and income, confirm the Council's ability to operate within its Capital Financing Requirement and established cash management framework. The modelling provides assurance that the Council will maintain sufficient liquidity and financial resources for at least the next 12 months.

In conclusion, based on the medium-term financial strategy and the results of cash flow modelling, the maintain sufficient liquidity and financial resilience to meet its obligations and continue delivering services. Management is therefore satisfied that there is no material uncertainty regarding the Council's ability to continue as a going concern.

4.2.28 Public Inspection

Inspection period for 2024/25 Accounts

Any interested person may inspect and copy the accounts and related documents of this body by appointment between the hours of 10am and 4pm on weekdays between 1 July 2025 and 11 August 2025

Accounts: Stoke-on Trent City Council

Address: Financial Services Division, Civic Centre, Glebe Street, Stoke-on-Trent, ST4 1HH

Email finance.systems@stoke.gov.uk to book an appointment to view the accounts.

Any elector for the area of Stoke-on-Trent City Council may question the auditor about the 2024/25 accounts or make an objection on any matter in respect of which the auditor could take action as set out in sections 26 and 27 of the Local Audit and Accountability Act 2014.

Any question or objection should be sent to the auditor at the address below, between 1 July 2025 and 11 August 2025.

Mark Surridge

Forvis Mazars

2 Chamberlain Square, Birmingham, B3 3AX

5.0 Housing Revenue Account



5.1 Housing Revenue Account Income and Expenditure

2023/24		Note	2024/25	
£000	£000		£000	£000
	Expenditure			
(29,737)	Repairs and maintenance		(33,021)	
(383)	Revenue expenditure funded from capital under statute		(54)	
(15,538)	Supervision and management		(18,119)	
(655)	Rent, rates, taxes and other charges		(459)	
(19,692)	Depreciation and impairment of non-current assets		(18,953)	
(8,340)	Revaluation of assets		(14,039)	
-	Debt management costs	5.3.3b	-	
(74,344)	Total Expenditure			(84,644)
	Income			
71,933	Dwelling rents		79,241	
603	Non-dwelling rents		634	
1,533	Charges for services and facilities		1,756	
181	Contributions towards expenditure		1,352	
74,250	Total Income			82,984
	HRA services' share of Corporate and Democratic Core			(379)
(94)	Net Cost for HRA Services	3.1		(2,040)
	HRA share of the operating Income and Expenditure included in the CIES			
(6,849)	Interest payable and similar charges	5.3.3b		(8,071)
366	HRA interest and investment income	5.3.3b		2,999
(2,004)	(Loss)/gain on disposal of non current assets			1,466
(377)	Increase or (decrease) in allowance for expected credit losses			(450)
413	Pensions interest cost and expected return on pensions costs			(418)
-	Grants and contributions receivable			5,323
(8,545)	Surplus or (deficit) for the year on HRA services			(1,191)

5.2 Statement of Movement in the Housing Revenue Account

31 March 2024 £000		Note	31 March 2025 £000
5,767	Opening balance		8,154
(8,545)	Surplus of (deficit) for the year on the HRA Income and Expenditure Statement	5.1	(1,191)
10,760	Adjustments between accounting basis and funding basis under statute	5.3.2d	2,828
2,215	Net increase or (decrease) before transfers to or from reserves		1,637
172	Transfers (to) or from reserves	4.2.9b	(1,637)
2,387	Increase or (decrease) in year on the HRA		0
8,154	Closing balance		8,154

5.3.1 Notes to the HRA - PPE

a - Valuation of Housing Assets

The vacant possession of dwellings within the HRA as at 1 April 2025 was £1,757,664,617. The balance sheet value of dwellings with the HRA shows the economic cost to Government of providing council housing at less than open market rent

Movement on Balance 2024/25 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	701,655	7,452	4,808	17,858	135	3,997	21,560	757,464
Additions	23,235	6	-	(32)	-	206	4,080	27,494
Revaluation Increases/ (decreases) recognised in the:								
Revaluation Reserve	32,598	1,205	-	-	-	2	-	33,805
Surplus/Deficit on the Provision of Services	(17,308)	73	-	-	-	-	-	(17,234)
Derecognition through disposal and transfer	(7)		(32)	(945)	-	(1,227)	-	(2,211)
Reclassifications within PPE		(49)	-	-	-	(1,064)	(19,957)	(21,069)
Assets reclassified (to)/from Held for Sale	15,374	-	-	-	-	-	-	15,374
Other Adjustment			(4)					(4)
Balance at 31 March	755,546	8,688	4,773	16,880	135	1,913	5,683	793,619

5.3.1 Notes to the HRA - PPE (continued)

a - Valuation of Housing Assets

Movement on Balance 2024/25 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	1,411	(55)	(2,964)	(5,774)	-	(760)	-	(8,141)
Depreciation charge in year	(14,269)	(157)	(101)	(614)	-	-	-	(15,141)
Depreciation written out to the:								
Revaluation Reserve	10,927	172	-	-	-	-	-	11,099
Surplus/Deficit on the Provision of Services	3,193	2	-	-	-	-	-	3,195
Impairment losses/(reversals) recognised in the:								
Revaluation Reserve						(25)		(25)
Surplus/Deficit on the Provision of Services	(3,235)	0	0	(0)		(530)	(0)	(3,765)
Derecognition through disposal and transfer	7		11	924	-	1,227	-	2,169
Reclassifications within PPE	-	2	-	-	-		-	2
Other Adjustments			2					2
Assets reclassified (to)/from Held for Sale	118	-	-	-	-	-	-	118
Balance at 31 March	(1,848)	(36)	(3,051)	(5,464)	-	(88)	(0)	(10,487)
Net Book Value								
At 31 March 2025	753,698	8,652	1,721	11,416	135	1,825	5,683	783,132
At 31 March 2024	703,066	7,398	1,845	12,084	135	3,237	21,560	749,323

5.3.1 Notes to the HRA - PPE (continued)

a - Valuation of Housing Assets

The vacant possession of dwellings within the HRA as at 1 April 2024 was £1,666,228,990. The balance sheet value of dwellings with the HRA shows the economic cost to Government of providing council housing at less than open market rent

Movement on Balance 2023/24 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	665,066	7,743	4,866	18,064	135	9,070	11,298	716,242
Additions	24,598	0	-	70	-	13	16,976	41,656
Revaluation Increases/ (decreases) recognised in the:								-
Revaluation Reserve	22,608	(272)	-	-	-	396	-	22,732
Surplus/Deficit on the Provision of Services	(12,594)	17	-	-	-	6	-	(12,571)
Derecognition through disposal and transfer	(35)	(49)	(58)	(277)	-	(5,978)	-	(6,397)
Reclassifications within PPE	2,012	14	-	-	-	490	(6,714)	(4,198)
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-
Balance at 31 March	701,655	7,452	4,808	17,858	135	3,997	21,560	757,464

5.3.1 Notes to the HRA - PPE (continued)

a - Valuation of Housing Assets

Movement on Balance 2023/24 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	1,426	(39)	(2,904)	(5,404)	-	(6,031)	-	(12,952)
Depreciation charge in year	(18,590)	(147)	(101)	(507)	-	(1)	-	(19,346)
Depreciation written out to the:								
Revaluation Reserve	14,293	125	-	-	-	-	-	14,417
Surplus/Deficit on the Provision of Services	4,226	6	-	-	-	-	-	4,231
Impairment losses/(reversals) recognised in the:								
Revaluation Reserve								-
Surplus/Deficit on the Provision of Services	-	(48)	-	-	-	(242)	-	(290)
Derecognition through disposal and transfer	2	49	42	137	-	5,428	-	5,658
Reclassifications within PPE	55	-	-	-	-	86	-	141
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-
Balance at 31 March	1,411	(55)	(2,964)	(5,774)	-	(760)	-	(8,141)
Net Book Value								
At 31 March 2024	703,066	7,398	1,845	12,084	135	3,237	21,560	749,323
At 31 March 2023	666,492	7,704	1,962	12,660	135	3,039	11,298	703,290

5.3.2 Notes to the HRA - Capital

a - Major Repairs Reserve

2023/24 £000	Notes	2024/25 £000
15 Opening Balance		19
19,370 Depreciation on HRA assets	5.3.1	15,141
(1,120) Voluntary debt repayment		-
(18,246) Reserve applied		(15,047)
19 Closing balance		113

b - HRA Capital Receipts Reserve

2023/24 £000	Notes	2024/25 £000
13,285 Opening Balance		15,941
1,445 opening Balance Adjustment		
Value of Receipts		
500 - Land		46
6,397 - Houses		7,023
- - Mortgage Repayments		-
- - Repayments of discount		15
- - Notional receipts for end of lease		-
Use of receipts		
(0) - Capital receipts pooling payment to DCLG		
(1,298) - Usable receipts applied to finance HRA capital expenditure		(1,457)
(4,386) - Usable receipts applied to finance transformation		(4,027)
(1) - Funding of disposal costs		-
15,941 Closing balance		17,541

5.3.3 Notes to the HRA - Usable Reserves

a - Summary of Capital Expenditure

2023/24 £000	Notes	2024/25 £000
Expenditure:		
38,361 Additions		27,762
383 REFCUS - Payment of Capital Grants		54
38,744		27,816
Financed by:		
16,081 Borrowing		4,535
65 CERA		321
134 Revenue contribution from earmarked reserves		15,047
18,246 Major repairs reserves	5.3.2a	4,527
3,835 Usable capital receipts reserve		3,387
383 Grants and contributions		
38,744		27,816

b - Capital Asset Charges and Adjustments

Capital asset charges are made to the HRA, by way of Item 8 Credit and Debit charges as specific by central government, to reflect the cost of managing the HRA's share of the Authority's debt portfolio.

In addition to the depreciation and impairment charges detailed above, the following charges are made:

2023/24 £000	Notes	2024/25 £000
Item 8 Credit included within income		
366 Interest receivable		340
- Discounts received		-
366		340
Item 8 Debit included within expenditure		
- Debt management costs		-
(6,849) Interest payable and similar charges		(8,071)
(6,849)		(8,071)

5.3.4 Notes to the HRA - Other

a - Explanation of the HRA Share of Contributions to/from Pension Reserve

Included within the HRA balance is £1.574m relating to the current service cost of HRA funded employees who participate in the Local Government Pension Scheme. The total defined benefit cost recognised (£1.018m) represents the value of pension benefits earned during the year by the relevant employees and is charged to the HRA Income and Expenditure account in place of the value of cash payments made by the Council to the pension fund. This accords with IAS 19 (Retirement Benefits) and ensures that the HRA Income and Expenditure account meets the requirement that benefit retirements should be accounted for when earned even if the actual giving of pension benefits may be in the future.

In addition, a proportionate share of the net pension interest cost and expected return on pension assets (£0.413m) is credited to the overall surplus or deficit on HRA services.

Information regarding the City Council's pension position as a contributing employer, for Balance Sheet and disclosure purposes, is supplied on an annual basis by Hymans Robertson for pension fund actuary. More detailed information regarding the overall position of the fund can be found within note 4.2.19.

b - Rent Arrears

2023/24 £000	Notes	2024/25 £000
Arrears at year end		
2,322 Current tenants		3,379
1,112 Former tenants		1,648
3,435 Total arrears at year end		5,026
(843) Provision in respect of uncollectable debts		(1,294)
2,592 Net arrears at year end		3,733

c - Housing Stock

2023/24 £000	Notes	2024/25 £000
17,358 Number of dwellings at the beginning of the year		17,287
60 Purchases		123
(126) Dwellings sold under Right to buy		(132)
(3) Awaiting demolition or unavailable for rent		-
(2) Other		(4)
17,287 Number of dwellings at the end of the year		17,274
14,468 Houses/bungalows		14,358
2,819 Flats		2,916

5.3.4 Notes to the HRA - Other (continued)

d - Adjustments between accounting basis and funding basis under regulation

2023/24 £000	Adjustments primarily involving the:	Notes	2024/25 £000
	Capital Adjustment Account		
(19,347)	Depreciation of non-current assets		(15,141)
(288)	Impairment of non-current assets		(3,765)
(8,340)	Revaluation losses on property, plant and equipment		(14,039)
(23)	Amortisation of intangible assets		-
(383)	Revenue expenditure funded from capital under statute		(54)
(8,901)	Carrying amount of non-current assets written off on disposal to the CIES		(5,618)
-	Capital grants and contributions applied		5,285
132	Capital expenditure charged against revenue		4,856
1,120	HRA - Repayment of debt		-
	Pensions Reserve		
(1,018)	Reversal of items relating to retirement benefits debited or credited to the CIES		(1,896)
2,584	Employer's contributions and direct payments made in year to the pension fund		2,649
22	Accumulated Absences Account		(46)
	Capital Receipts Reserve		
6,897	Transfer of cash sale proceeds credited as part of gain/loss in disposal to the CIES		7,084
0	Contribution from capital receipts reserve to disposal costs		-
(1,466)	flexible use of capital receipts		(958)
	Major Repairs Reserve		
19,370	Contribution for depreciation		15,141
(1,120)	Voluntary contribution		3,674
(10,760)	Total		(2,828)

6.0 Collection Fund



6.1 Collection Fund Statement

Business Rates 2023/24 £000	Council Tax 2023/24 £000	Total 2023/24 £000		Notes	Business Rates 2024/25 £000	Council Tax 2024/25 £000	Total 2024/25 £000
Income							
79,298		79,298	Business ratepayers	6.2.1	87,226		87,226
	149,059	149,059	Council tax			156,619	156,619
	(21,089)	(21,089)	Less council tax local support	6.2.2		(21,116)	(21,116)
79,298	127,970	207,268			87,226	135,503	222,729
Charges to the Collection Fund							
(115)	-	(115)	Interests		(268)	-	(268)
(506)	(727)	(1,233)	Write (offs)/backs of uncollectable amounts		(310)	(647)	(957)
348	1,998	2,346	Impairment for uncollectable amounts		(609)	(1,374)	(1,983)
(8,579)	-	(8,579)	Provision for appeals		793	-	793
3,482	-	3,482	Use of previous years provision		6,103	-	6,103
3,570	-	3,570	Disregard amounts (Transitional Protection Payments)		1,018	-	1,018
(1,996)	-	(1,996)	Disregard amounts (Enterprise Zones)		(3,133)	-	(3,133)
(352)	-	(352)	Costs of collection		(354)	-	(354)
(4,148)	1,271	(2,877)			3,240	(2,021)	1,219
75,150	129,241	204,391	Balance due for allocation		90,466	133,482	223,948
Precepts, Demands and Shares							
(44,219)		(44,219)	Central Government		(45,132)		(45,132)
	(17,336)	(17,336)	The Office of the PCC Staffordshire			(18,776)	(18,776)
(884)	(5,605)	(6,489)	Stoke-on-Trent and Staffordshire Fire and Rescue Authority		(903)	(5,955)	(6,858)
(43,335)	(102,549)	(145,884)	Stoke-on-Trent City Council		(44,229)	(111,063)	(155,292)
(88,438)	(125,490)	(213,928)			(90,264)	(135,794)	(226,058)
(13,288)	3,751	(9,537)			202	(2,312)	(2,110)

6.1 Collection Fund Statement (continued)

Business Rates 2023/24 £000	Council Tax 2023/24 £000	Total 2023/24 £000	Notes	Business Rates 2024/25 £000	Council Tax 2024/25 £000	Total 2024/25 £000
Collection Fund Balance						
11,569	3,480	15,049	Balance at the beginning of the year	-16588	5145	(11,443)
			Previous year's estimated surplus/(deficit) paid in			
			- current year			-
(7,434)	-	(7,434)	Central Government	8,111	-	8,111
	(288)	(288)	The Office of the PCC Staffordshire		(922)	(922)
(149)	(93)	(242)	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	162	(298)	(136)
(7,285)	(1,705)	(8,990)	Stoke-on-Trent City Council	7,948	(5,451)	2,497
(14,868)	(2,086)	(16,954)		16,221	(6,671)	9,550
Allocation of Surplus/(Deficit) in Year						
(6,644)		(6,644)	Central Government	101		101
	518	518	The Office of the PCC Staffordshire		(320)	(320)
(133)	168	35	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	2	(101)	(99)
(6,511)	3,065	(3,446)	Stoke-on-Trent City Council	99	(1,891)	(1,792)
(13,288)	3,751	(9,537)		202	(2,312)	(2,110)
(16,587)	5,145	(11,442)	Balance at the End of the Year	(165)	(3,838)	(4,003)
Allocation of collection fund balance to:						
(8,294)		(8,294)	Central Government	(82)		(82)
	711	711	The Office of the PCC Staffordshire		(531)	(531)
(166)	230	64	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	(2)	(168)	(170)
(8,128)	4,204	(3,924)	Stoke-on-Trent City Council	3.2 (81)	(3,139)	(3,220)
(16,588)	5,145	(11,443)		(165)	(3,838)	(4,003)

6.2.1 Business Rates

The City Council collects business rates in its area based on non domestic rateable values multiplied by a uniform rate. From 1 April 2005 the Government introduced the small business rate relief scheme, those eligible pay a lesser rate.

From 1 April 2013, the City Council retained 49% of the total amount collected, less certain reliefs and deductions, paying 1% to Stoke-on-Trent and Staffordshire Fire and Rescue Authority and 50% to Government. In 2019/20 The City became part of the pilot scheme whereby shares were 74% to the City, 25% to Government & 1% to Staffordshire Fire and Rescue Authority and then reverted back to the original shares (49/1/50) in 2020/21. In 2024/25 the City Council's share amounted to £44,229k plus a proportion of the year end deficit of £165k (SOTCC share of this is £81k) (see note 6.1). In addition £35,186k was received as non-domestic rates top up.

2023/24	Note	2024/25
51.2p Business rate multiplier		54.6p
49.9p Small business rate relief multiplier		49.9p
£ 245,148,719 Non-domestic rateable value at year-end		£ 244,738,507

2023/24 £000	Note	2024/25 £000
111,521 NDR gross charge		121,601
(3,570) Transitional relief		(1,018)
(16,720) Mandatory relief		(19,940)
(8,565) Discretionary relief		(9,289)
(3,368) Other		(4,128)
79,298	6.1	87,226
506 Amounts written (off)/on	6.1	310
79,804		87,536

6.2.2 Council Tax

Council Tax income is derived from charges raised according to the value of the residential properties that have been classified into eight valuation bands for this purpose. The amounts credited to the collection fund are calculated as follows:

2023/24 £000	Note	2024/25 £000
168,446 Council tax gross charge		177,257
(5,303) Exemptions		(5,439)
(13,981) Discounts		(15,091)
(103) Disabled allowances		(108)
149,059		156,619
(727) Amounts written (off)/on		(647)
148,332		155,972
(21,089) Council tax local support	6.1	(21,116)
127,243		134,856

The following authorities made a demand or precept on the Collection Fund

2023/24 (£)	Note	2024/25 (£)
102,548,400 Stoke-on-Trent City Council	6.1	111,063,410
17,336,269 The Office of the Police and Crime Commissioner Staffordshire	6.1	18,775,602
5,605,329 Stoke-on-Trent and Staffordshire Fire and Rescue Authority	6.1	5,955,181
125,489,998	6.1	135,794,193

2023/24 (£) Derivation of the Band D Council Tax	Note	2024/25 (£)
102,548 Council Tax Requirement	6.1	111,063
66,532 Tax Base		68,632
£ 1,541.34 City Council Band D		£ 1,618.25
£ 260.57 The Office of the Police and Crime Commissioner Staffordshire		£ 273.57
£ 84.25 Stoke-on-Trent and Staffordshire Fire and Rescue Authority		£ 86.77
£ 1,886.16 Combined Band D Council Tax		£ 1,978.59

6.2.2 Council Tax (continued)

The Council Tax Base is calculated by considering the number of dwellings in each band (after allowing for discounts) and expressing these in terms of Band D property equivalents. The bands are based on the open market capital values at 1 April 1991.

Valuation Band	Value Range	Number of Dwellings	Dwellings after discounts & exemptions	Ratio to Band D	Band D Equivalents
A (entitled to Disabled Reduction)		-	114	5/9	63.2
A	Up to £40,000	70,866	63,457	6/9	42,304.7
B	£40,001 - £52,000	25,444	22,876	7/9	17,792.1
C	£52,001 - £68,000	15,901	14,205	8/9	12,626.9
D	£68,001 - £88,000	5,133	4,323	1	4,323.3
E	£88,001 - £120,000	1,940	1,733	11/9	2,117.9
F	£120,001 - £160,000	529	477	13/9	688.3
G	£160,001 - £320,000	199	167	15/9	279.2
H	Over £320,000	40	22	18/9	44.6
					80,240.2
Local council tax support scheme: Estimated level of discounts to be awarded					(10,912.7)
Care Leavers					(2.5)
					69,325.0
Adjustments for collection rates					(693.2)
Council Tax Base for 2024/25					68,631.8

6.2.2 Council Tax (continued)

The overall Council Tax requirement of £111.063m then translates into individual Council Tax bills as shown below. The City Council also collects Council Tax on behalf of the Office of the Police and Crime Commissioner Staffordshire and the Stoke-on-Trent and Staffordshire Fire and Rescue.

The level at which Council Tax was set in 2024/25 was:

2023/24 £	Valuation Band	Stoke-on-Trent City Council	The Office of the Police and Crime Commissioner	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	2024/25 £
1,257.44	A	1,078.83	182.38	57.85	1,319.06
1,467.01	B	1,258.63	212.78	67.49	1,538.90
1,676.59	C	1,438.45	243.17	77.13	1,758.75
1,886.16	D	1,618.25	273.57	86.77	1,978.59
2,305.31	E	1,977.87	334.36	106.05	2,418.28
2,724.45	F	2,337.47	395.16	125.33	2,857.96
3,143.60	G	2,697.08	455.95	144.62	3,297.65
3,772.32	H	3,236.50	547.14	173.54	3,957.18

7.0 Group Accounts



7.1 Group Accounts Introduction

The purpose of the Group Accounts is to provide a picture of Stoke-on-Trent City Council and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Group accounts show the full extent of the Authority;s wider assets and liabilities. While the Group Accounts are not primary statements, they provide transparency and enable comparison with other entities that have different corporate entities.

The City Council has interests in a number of companies that are classified as a subsidiary, all of which have been considered for consolidation. Two of these, Fortior Homes Limited and Unitas Stoke-on-Trent Limited are considered to be material to the financial statements. Details of all subsidiary companies can be found in note 4.2.22.

The Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with Fortior Homes Limited and Unitas Stoke-on-Trent Limited. Copies of the individual audited accounts are available from Companies House. The subsidiaries have been consolidated into the Group Accounts on a line by line basis, incorporating their income and expenditure fully in the relevant service revenue accounts.

The subsidiaries have been consolidated into the Group Accounts on a line by line basis, incorporating their income and expenditure fully in the relevant service revenue accounts.

The overall impact of the companies on the financial performance, financial position and cash flows of the group is relatively low. Compared to the single entity Stoke-on-Trent City Council accounts the overall surplus on the CIES decreased by £4.106m (£0.430m - 2023/24 increase), the net assets increase by £6.971m (£0.183m - 2023/24 increase) and the net increase /(decrease) in cash increased by £3.531m (£3.279m - 2023/24 increase).

The purpose of each of the core statements is explained in the relevant sections of the single entity accounts. No amendments have been necessary to the accounts of the group entities as a result of material differences arising from the variation in accounting policies.

The Group Accounts should be read in conjunction with Stoke City Council single entity accounts on pages 35 to 139. Only notes to the accounts that are materially different from the single entity accounts are produced for the group accounts.

7.1 Group Accounts Introduction (continued)

Fortior Homes Limited Support

The Directors of Fortior Homes Ltd have received confirmation from the parent entity that it will continue to support the company in meeting its liabilities as they fall due for a period to 31 March 2027. Acknowledging this support and having reviewed the company's forecasts and rental projections, the Directors have a reasonable expectation that the company has adequate resources to continue in operation for at least 12 months from the date the financial statements are signed.

The company has therefore adopted the going concern basis in preparing its financial statement for 2024/25

Fortior Homes has a loan covenant with the Council. Fortior is now fully compliant with the loan covenant.

During the period of the loan agreement and repayment period i.e. to the end of 31 March 2027, the Council is not intending to recall any loans or remove financial support for the company in its activities.

7.2 Comprehensive Income and Expenditure Statement - Group

2023/24				2024/25			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
142,865	(34,959)	107,906	Children and Family Services		144,699	(20,248)	124,451
199,468	(127,133)	72,335	Social Care, Health Integration and Wellbeing		201,175	(125,474)	75,701
107,704	(53,783)	53,921	Housing, Development and Growth		85,893	(39,317)	46,576
79,502	(39,624)	39,878	Strategy and Resources		74,017	(35,156)	38,861
16,537 -	9,603	6,934	City Director		17,176	(10,535)	6,641
77,652	(77,947)	(295)	Housing Revenue Account		95,040	(88,736)	6,304
97,210	(94,822)	2,388	Schools		129,375	(122,280)	7,095
1,722	-	1,722	Civic and Corporate Expenses		1,122	(126)	997
69,404	(66,607)	2,797	Benefit Payments		71,488	(68,605)	2,883
761	(1,005)	(244)	Non Departmental Costs		(5,478)	(1,816)	(7,294)
		-	- Redundancy/Actuarial Strain				-
792,825	(505,483)	287,342	Net Cost of Services		814,506	(512,293)	302,214
		(2,704)	Other Operating Expenditure				(2,014)
		58,515	Financing and Investment Income and Expenditure				32,739
		(290,009)	Taxation and Non-specific Grant Income	4.2.6d			(344,466)
		53,144	(Surplus)/Deficit on Provision of Services				(11,527)

7.2 Comprehensive Income and Expenditure Statement - Group (continued)

2023/24		2024/25	
	Net Expenditure £000		Net Expenditure £000
<i>Continuing Service Areas</i>		Note	
53,144 (Surplus)/Deficit on Provision of Services			(11,527)
(Surplus)/deficit on revaluation of non-current assets	(58,246)	4.2.10b	(56,414)
Impairment losses on non-current assets			
- charged to revaluation reserves		4.2.10b	-
(Surplus)/deficit from investments in equity instruments designated at fair value through			
- other comprehensive income		4.2.10f	-
Remeasurements on pension fund (assets) & liabilities	(11,834)	4.2.19c	6,460
Other Comprehensive Income and			
(70,080) Expenditure			(49,954)
Total Comprehensive Income and			
(16,936) Expenditure			(61,481)

7.3 Balance Sheet - Group

31 March 2023 Restated £000	31 March 2024 restated £000		Note	31 March 2025 £000
1,390,945	1,492,093	Property, Plant and Equipment	7.6b	1,567,389
-	-	Right of Use Assets	4.2.11j	788
65,389	66,497	Heritage Assets	4.2.11e	67,285
74,689	92,279	Investment Property	7.6c	92,770
6,008	8,432	Intangible Assets		9,291
4,974	-	Long Term Investments	4.2.14d	-
13,314	14,136	Long Term Debtors		11,866
-	1,546	Net Pensions Assets		-
1,555,319	1,674,983	Long Term Assets		1,749,389
13,184	-	Pension Contribution Debtor	4.2.19e	-
20	-	Short Term Investments		-
1,770	-	Assets Held For Sale		-
1,262	1,509	Stocks		1,697
68,146	86,720	Short Term Debtors	7.6d	110,267
30,160	32,719	Cash and Cash Equivalents	7.5	36,341
114,542	120,948	Current Assets		148,305
(45,924)	(121,731)	Short Term Borrowing	4.2.14b	(46,406)
(9,512)	(16,488)	Other Short Term Liabilities	4.2.14b	(14,421)
(115,465)	(96,503)	Short Term Creditors	7.6e	(121,227)
(4,054)	(2,178)	Grants Receipts in Advance	4.2.16b	(9,950)
(3,224)	(5,719)	Provisions		(2,029)
(178,179)	(242,619)	Current Liabilities		(194,033)
(5,975)	(6,290)	Provisions		(6,590)
(513,801)	(604,261)	Long Term Borrowing	4.2.14b	(689,995)
(80,035)	(63,228)	Other Long Term Liabilities	4.2.14b	(51,242)
(381,042)	(132,020)	Net Pensions Liabilities	4.2.19e	(121,849)
(980,853)	(805,799)	Long Term Liabilities		(869,676)
510,829	747,513	Net Assets		833,984

7.3 Balance Sheet - Group (continued)

31 March 2023 £000	31 March 2024 £000 Restated		Note	31 March 2025 £000
11,402	14,799	General Fund Balance	3.3	14,800
91,163	53,814	Earmarked Reserves - General Fund	4.2.9a	39,769
12,856	25,144	Usable Capital Receipts Reserve	4.2.9c	28,042
6,069	8,154	Housing Revenue Account Balance	5.2	8,155
541	245	Earmarked Reserves - HRA	4.2.9b	5,877
-	19	Major Repairs Reserve	5.3.2a	112
50,449	50,850	Capital Grants Unapplied	4.2.9d	70,116
172,480	153,025	Total Authority Usable Reserves		166,870
(40,774)	(1,362)	Subsidiary Profit & Loss		7,799
131,706	151,663	Total Group Usable Reserves		174,669
445,506	359,400	Capital Adjustment Account		364,511
297,858	402,024	Revaluation Reserve	4.2.10b	445,958
(4,464)	(3,587)	Collection Fund Adjustment Account	6.1	(3,081)
(342,515)	(146,393)	Pensions Reserve (Deficit)	4.2.10c	(129,737)
(4,478)	(3,339)	Accumulated Absences Account		(3,884)
(2,440)	(1,592)	Financial Instruments Adjustment Account	4.2.10e	(2,257)
4,955	5,782	Financial Instruments Revaluation Reserve		5,782
(21,202)	(21,202)	Dedicated Schools Grant Adjustment Account	4.2.10g	(22,430)
5,903	5,587	Deferred Capital Receipts Reserve	4.2.10d	5,281
379,123	596,680	Total Authority Unusable Reserves		660,143
	(830)	Share of Group Reserves		(828)
379,123	595,850	Total Group Unusable Reserves		659,315
510,829	747,513	Total Reserves		833,984

7.4 Movement in Reserves Statement - Group

2024/25	Note	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Group Share of Reserves £000	Total Group Reserves £000
Balance at 31 March 2024		68,613	8,401	18	25,144	50,850	153,025	596,680	749,705	(1,362)	(830)	747,513
Group Surplus/Deficit	7.2	6,087	(61,596)	-	-	-	(55,509)	-	(55,509)	67,036	-	11,527
Other Comprehensive Income and Expenditure	7.2	-	-	-	-	-	-	63,455	63,455	(13,501)	-	49,954
Adjustments between group accounts and authority accounts	7.6f	10,737	60,405	-	-	-	71,142	(2,217)	68,925	(44,374)	2	24,553
Net increase or decrease before transfers		16,824	(1,191)	-	-	-	15,633	61,238	76,871	9,161	2	86,034
Adjustments between accounting basis and funding basis under statutory provisions	4.2.8	(30,869)	6,823	93	2,898	19,266	(1,789)	2,225	436	-	-	436
Increase or decrease in year		(14,045)	5,632	93	2,898	19,266	13,844	63,463	77,307	9,161	2	86,470
Balance at 31 March 2025		54,569	14,033	111	28,042	70,116	166,870	660,143	827,013	7,799	(828)	833,983

7.4 Movement in Reserves Statement - Group (continued)

2023/24	Note	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Group Share of Reserves £000	Total Group Reserves £000
Balance at 31 March 2023		71,067	6,185	15	16,405	50,556	144,228	603,034	747,262	(39,821)	2,597	710,038
Group Surplus/Deficit	7.2	(52,450)	48,516	-	-	-	(3,934)	-	(3,934)	(49,210)	-	(53,144)
Other Comprehensive Income and Expenditure	7.2	-	-	-	-	-	-	53,626	53,626	(16,454)	-	37,172
Adjustments between group accounts and authority accounts	7.6f	7,421	(57,061)	-	-	-	(49,640)	2,375	(47,265)	104,123	(3,427)	53,431
Net increase or decrease before transfers		(45,029)	(8,545)	-	-	-	(53,574)	56,001	2,427	38,459	(3,427)	37,459
Adjustments between accounting basis and funding basis under statutory provisions	4.2.8	42,575	10,761	3	8,739	294	62,371	(62,355)	16	-	-	16
Increase or decrease in year		(2,454)	2,216	3	8,739	294	8,797	(6,354)	2,443	38,459	(3,427)	37,475
Balance at 31 March 2024		68,613	8,401	18	25,144	50,850	153,025	596,680	749,705	(1,362)	(830)	747,513

7.5 Cashflow Statement - Group

2023/24 £000		Note	2024/25 £000
(53,144) Net surplus/(deficit) on the provision of services		7.2	11,527
69,891	Adjustments to net surplus or deficit on the provision of services for non-cash movements		75,369
Adjustments for items included in the net surplus or deficit on the provision of services that are investing			
(53,660)	and financing activities		(74,904)
(36,913) Net Cash Flows from Operating Activities			11,992
(57,768)	Net Cash Flows from Investing Activities		(15,261)
96,562	Net Cash Flows from Financing Activities	4.2.24c	6,891
1,881	Net Increase or decrease in Cash and Cash Equivalents		3,622
30,838	Cash and Cash Equivalents at the beginning of the reporting period	7.3	32,719
32,719	Cash and Cash Equivalents at the end of the reporting period	7.3	36,341

7.6 Notes to the Group Accounts

a - Accounting Policies for the Group

In preparing the Group Accounts the council has aligned the accounting policies of the company with those of the council and made consolidation adjustments where necessary.

The Council has consolidated its interests in all the entities over which it exercises control or significant influence. The results of entities have been consolidated on a line by line basis as subsidiaries. Consolidation has been based on:

- For 2024/25 - the draft accounts of Fortior Homes Limited Group and Unitas Stoke-on-Trent Limited for the period ended 31 March 2025.
- For 2023/24 - the final accounts of Fortior Homes Limited Group and Unitas Stoke-on-Trent Limited for the period ended 31 March 2024.

Where group entities use different accounting policies to the Council, their accounts have been restated to re-align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.

Intra-group transactions have been eliminated before consolidation on a line by line basis.

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance 2024/25 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	701,655	348,618	66,180	355,384	39,607	34,127	73,946	1,619,517
Additions	23,235	3,922	5,015	28,478	290	779	27,535	89,254
IFRS16	-	-	(698)	3,341	-	-	-	2,643
Revaluation Increases/ (decreases) recognised in the:								
Revaluation Reserve	32,598	4,559	-	-	-	448	-	37,605
Surplus/Deficit on the Provision of Services	(17,308)	(420)	-	-	-	831	-	(16,897)
Derecognition through disposal and transfer (non- schools)	(7)	(616)	(1,561)	(945)	-	(2,725)	-	(5,854)
Derecognition through disposal and transfer (schools)	-	(4,405)	(259)	-	-	-	-	(4,664)
Reclassifications within PPE	-	-	-	-	-	-	(19,147)	(19,147)
Reclassifications (Other)	-	(7,107)	-	11	-	5,395	-	(1,701)
Reclassifications to IP	-	-	-	-	-	-	-	-
Other Adjustments	-	-	(30)	-	-	-	-	(30)
Assets reclassified (to)/from Held for Sale	15,374	(139)	-	-	-	(150)	-	15,085
Balance at 31 March	755,547	344,412	68,647	386,269	39,897	38,705	82,334	1,715,811

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance	Council	Other Land	Vehicles Plant Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
2024/25	Dwellings	& Buildings						
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	1,412	(1,695)	(42,540)	(81,332)	(1,488)	(1,732)	(49)	(127,424)
Depreciation charge in year	(14,269)	(9,855)	(6,116)	(13,683)	-	(50)	-	(43,973)
Depreciation written out to the:								
Revaluation Reserve	10,927	7,208	-	-	-	50	-	18,185
Surplus/Deficit on the Provision of Services	3,193	1,070	-	-	-	114	-	4,377
Impairment losses/(reversals) recognised in the:								
Revaluation Reserve	-	-	-	-	-	(25)	-	(25)
Surplus/Deficit on the Provision of Services	(3,235)	-	-	-	-	(530)	-	(3,765)
Derecognition through disposal and transfer (non- schools)	7	13	1,750	924	-	1,227	-	3,921
Derecognition through disposal and transfer (schools)	-	152	1	-	-	-	-	153
Reclassifications within PPE	118	92	-	-	-	(90)	-	120
Assets reclassified (to)/from Held for Sale	-	3	-	-	-	6	-	9
Balance at 31 March	(1,847)	(3,012)	(46,905)	(94,091)	(1,488)	(1,030)	(49)	(148,422)
Net Book Value								
At 31 March 2025	753,700	341,400	21,742	292,178	38,409	37,675	82,285	1,567,389
At 31 March 2024	703,067	346,923	23,640	274,052	38,119	32,395	73,897	1,492,093

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance			Vehicles Plant				Assets Under	
2023/24	Council Dwellings	Other Land & Buildings	Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Construction	Total
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	665,066	369,168	64,591	334,825	38,398	41,112	36,362	1,549,522
Additions	24,598	4,755	4,858	20,794	1,063	1,116	41,229	98,413
Revaluation Increases/ (decreases) recognised in the:								
Revaluation Reserve	22,608	12,379	-	-	-	(82)	-	34,905
Surplus/Deficit on the Provision of Services	(12,594)	(4,362)	-	-	-	(2,756)	-	(19,712)
Derecognition through disposal and transfer (non- schools)	-	(1,183)	(1,902)	(277)	-	(5,978)	(458)	(9,798)
Derecognition through disposal and transfer (schools)	-	(29,546)	(1,367)	-	-	(119)	-	(31,032)
Reclassifications within PPE	-	(2,619)	-	42	146	3,285	(3,187)	(2,333)
Reclassifications (Other)	-	-	-	-	-	(2,451)	-	(2,451)
Reclassifications to IP	1,977	-	-	-	-	-	-	1,977
Assets reclassified (to)/from Held for Sale	-	26	-	-	-	-	-	26
Balance at 31 March	701,655	348,618	66,180	355,384	39,607	34,127	73,946	1,619,517

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance 2023/24 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	1,426	(2,171)	(39,140)	(68,930)	(1,451)	(6,941)	(49)	(117,256)
Depreciation charge in year	(18,589)	(9,405)	(6,302)	(12,539)	-	(78)	-	(46,913)
Depreciation written out to the:								-
Revaluation Reserve	14,293	6,047	-	-	-	60	-	20,400
Surplus/Deficit on the Provision of Services	4,225	2,986	-	-	-	154	-	7,365
Impairment losses/(reversals) recognised in the:								-
Revaluation Reserve	-	(96)	-	-	-	(361)	-	(457)
Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition through disposal and transfer (non- schools)	-	152	1,845	137	-	-	-	2,134
Derecognition through disposal and transfer (schools)	-	724	1,057	-	-	5,547	-	7,328
Reclassifications within PPE	57	68	-	-	(37)	(14)	-	74
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	(99)	-	(99)
Balance at 31 March	1,412	(1,695)	(42,540)	(81,332)	(1,488)	(1,732)	(49)	(127,424)
Net Book Value								
At 31 March 2024	703,067	346,923	23,640	274,052	38,119	32,395	73,897	1,492,093
At 31 March 2023	666,492	366,997	25,451	265,895	36,947	34,171	36,313	1,432,266

7.6 Notes to the Group Accounts (continued)

c - Group Investment Property

	Note	City Council £000	Fortior Homes Ltd £000	Total Assets £000
At 1 April 2023		44,451	50,222	94,673
Additions		1,678	404	2,082
Upward revaluation		-	5,053	5,053
Downward revaluation		(5,372)	(482)	(5,854)
Disposals		-	(3,105)	(3,105)
Reclassification to/(from) investment property		(569)	-	(569)
At 31 March 2024		40,188	52,091	92,279
Additions		6	120	126
Upward revaluation		1,764	5,872	7,636
Downward revaluation		-	(5,930)	(5,930)
Disposals		-	(1,068)	(1,068)
Other Adjustments		-	(51)	(51)
Reclassification to/(from) investment property		(222)	-	(222)
At 31 March 2025		41,736	51,034	92,770

7.6 Notes to the Group Accounts (continued)

d - Short Term Debtors

31 March 2024 £000		Note	31 March 2025 £000
3,904	Central government bodies	4.2.21b	13,213
830	Academies	4.2.21b	22
13,059	Other local authorities	4.2.21b	2,449
2,149	NHS bodies	4.2.21b	6,506
66,778	Other entities and individuals		88,077
86,720			110,267

e - Short Term Creditors

31 March 2024 £000		Note	31 March 2025 £000
10,536	Central government bodies	4.2.21c	2,742
1,197	Other local authorities	4.2.21c	847
1,390	NHS bodies	4.2.21c	148
84,400	Other entities and individuals		117,490
97,523			121,227

7.6 Notes to the Group Accounts (continued)

f - Adjustments between Group Accounts and Authority Accounts in the Group Movement in Reserves Statement

2024/25	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Share of Group Reserves £000	Total Group Reserves £000
Sale of goods and services to subsidiaries	7,579	-	-	-	-	7,579	-	7,579	(7,579)	-	-
Purchases of goods and services from subsidiaries	-	60,405	-	-	-	60,405	-	60,405	(35,853)	-	24,552
Elimination of interest on loans	1,729	-	-	-	-	1,729	-	1,729	(1,729)	-	-
Surplus reallocation	1,429	-	-	-	-	1,429	-	1,429	(1,429)	-	-
Share valuation movement	-	-	-	-	-	-	-	-	-	-	-
Adj B/f subsidiary p&L	-	-	-	-	-	-	-	-	-	-	-
Reclassification reserves to unuseable	-	-	-	-	-	-	-	-	-	-	-
Expected credit loss on long term loan	-	-	-	-	-	-	(2,217)	(2,217)	2,217	-	-
Adjustments between group accounts and authority accounts	10,737	60,405	-	-	-	71,142	(2,217)	68,925	(44,373)	-	24,552

7.6 Notes to the Group Accounts (continued)

f - Adjustments between Group Accounts and Authority Accounts in the Group Movement in Reserves Statement

2023/24	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Share of Group Reserves £000	Total Group Reserves £000
Sale of goods and services to subsidiaries	5,380	-	-	-	-	5,380	-	5,380	(5,380)	-	-
Purchases of goods and services from subsidiaries	-	(57,061)	-	-	-	(57,061)	-	(57,061)	111,430	-	54,369
Elimination of interest on loans	1,771	-	-	-	-	1,771	-	1,771	(1,771)	-	-
Surplus reallocation	270	-	-	-	-	270	-	270	(270)	-	-
Share valuation movement	-	-	-	-	-	-	3,427	3,427	-	(3,427)	-
Expected credit loss on long term loan	-	-	-	-	-	-	(115)	-	115	-	-
	-	-	-	-	-	-	-	-	-	-	-
Adjustments between group accounts and authority accounts	7,421	(57,061)	-	-	-	(49,640)	3,312	(46,213)	104,124	(3,427)	54,369

8.0 Other Statements



8.1 Statement of Accounting Policies (continued)

Purpose

Accounting policies are the specific principles, conventions, rules and practices applied by a local authority in preparing and presenting its financial statements. They:

- set out the basis for accounting i.e. confirm (or otherwise) that the authority complies with the Accounting Code and relevant statutory reporting requirements
- highlight any changes in accounting policies or other information compared to previous years
- set out how any discretion on accounting policy choices permitted by the Accounting Code have been exercised
- identify new accounting policies which have been adopted, for example, on the implementation of a new reporting standard.

Accounting policies focus on recognition, measurement and presentation

The Statement of Accounts summarises the Council's transactions for the financial year as published and its position at the year-end of 31 March of that financial year. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2014, which require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS).

The Cipfa code 2023/24 follows amendments to IAS 1 *Presentation of Financial Statements* to require disclosure of **material** accounting policy information not significant accounting policy information. Accounting policy information is material if, when considered together with other information included in an authority's financial statements, it can reasonably be expected to influence decisions that the users of local authority financial statements make on the basis of those financial statements

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared on a 'going concern' basis; that is that there is the assumption that the functions of the Council will continue in operational existence.

8.1 Statement of Accounting Policies (continued)

Accrued Revenue Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected..

Basis of Charges for Capital

All interest charges and expenses arising on loans raised to fund capital expenditure are recharged on an accruals basis to the Housing Revenue Account and the General Fund as appropriate.

Cash and Cash Equivalents

Cash is represented as cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Balance Sheet and Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the City Council's cash management strategy.

8.1 Statement of Accounting Policies (continued)

Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following to record the service cost of using non-current assets during the year;

- depreciation
- revaluation and impairment losses
- amortisation of intangible assets

For General Fund the Council is not required to raise council tax to finance depreciation, revaluation and impairment losses or amortisation. These are replaced by a Minimum Revenue Provision charged to the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

For the Housing Revenue Account, the Council is not required to charge a Minimum Revenue Provision but instead sets aside resources to finance the principal of any amount borrowed.

Contingent Liabilities

A contingent liability is a possible financial obligation that arises from past events which will only crystallise if certain events take place. The obligation cannot be measured sufficiently reliably and is disclosed as such.

Council Tax and Non-Domestic Rates

The collection of council tax and non-domestic rates is an agency arrangement for the council, as billing authority, other preceptors and central government. The income in respect of the council from council tax and non-domestic rates is included in the Comprehensive Income and Expenditure Statement for the year on an accruals basis. The cash collected belongs proportionately to the City Council, the preceptors and central government. The City Council recognises its share of any outstanding council tax and non-domestic rates arrears, receipts in advance adjusted by an impairment allowance and an allowance for appeals made by non-domestic rates payers in its balance sheet.

Regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included in the Movement in Reserves statement.

8.1 Statement of Accounting Policies (continued)

Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period. This charge is reversed through the Movement in Reserves Statement to unusable reserves.

Termination Benefits

When the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy, these costs are charged on an accruals basis to the respective Service line in the Comprehensive Income and Expenditure Statement. Where those benefits involve the enhancement of pensions the amount payable is charged to the General Fund Balance.

Post-employment Benefits

Employees of the Council are members of three separate pension schemes:

- The Teachers' Pension Scheme, administered on behalf of the Department for Education (DfE),
- The National Health Service (NHS) Pension scheme,
- The Local Government Pension Scheme (LGPS).

Each scheme provides defined benefits to members (retirement lump sums and pensions), earned whilst employees are working for the Council. However, the centralised arrangements for the Teachers' and NHS schemes mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits recognised in the Balance Sheet. The Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Scheme and the NHS Pension Scheme in the year.

8.1 Statement of Accounting Policies (continued)

Employee Benefits (continued)

The Local Government Pension Scheme is accounted for as a defined benefits scheme. The liabilities of the Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method, (i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and forecasts of projected earnings for current employees). The increase in the liability arising from pensionable service earned during the year is recognised within the net cost of services.

The assets of the Pension Fund attributable to the Council are included in the Balance Sheet at their fair value. The change in the net pension liability is analysed into its components:

- **Current Service Cost:**

The increase in liabilities as a result of years of service earned this year is allocated in the Comprehensive Income and Expenditure Statement to the service areas for which the employees worked.

- **Past service cost;**

Is the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-distributed Costs. The Council also recognise a gain or loss on settlement when the settlement occurs. The settlement is deemed to occur when the authority enters into a transaction which eliminates all further obligations for part or all of the benefits provided under the LGPS defined benefit plan.

- **Net interest on the net defined benefit liability:**

The expected increase in the present value of liabilities during the year as they move one year closer to being paid offset by the interest on assets which is the interest on assets held at the start of the year and cash flows occurring during the period. The result is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- **Remeasurements:**

These comprise the return on plan assets excluding amounts included in net interest and actuarial gains and losses. The latter is the changes in the net pension liability which arise because actuaries have updated their assumptions. These are charged to Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

- **Contributions paid to the Pension Fund:**

Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

8.1 Statement of Accounting Policies (continued)

Employee Benefits (continued)

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and to replace them with debits for the cash paid to the pension fund and pensioners and any such amounts that are payable but remain unpaid at the year end.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

The figures that are used to account for the scheme are commissioned annually from the Staffordshire County Council Pension Fund actuary.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period (31 March) and the date when the Statement of Accounts is authorised for issue. Two types of events can occur:

Adjusting Events

Those events that provide evidence that conditions existed at the end of the reporting period that would require accounting for – the Statement of Accounts is adjusted to reflect such events.

Non-adjusting Events

Those events that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts however the S.151 officer will advise the

8.1 Statement of Accounting Policies (continued)

Financial Instruments

Financial Instruments are defined as any contract that gives rise to a financial asset of one body and a financial liability of another. Many assets and liabilities are collectively financial instruments even where separately identified on the balance sheet.

Financial Assets

The City Council has a number of investments that are financial assets which are classified on the basis of the authority's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The three main classes of financial assets are: .

- Amortised Cost
- Fair Value through Profit or Loss (FVPL), and
- Fair Value through Other Comprehensive Income (FVOCI)

Amortised Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently carried at their amortised cost except for short-term receivables with no stated interest rate which are measured at invoiced cost. Annual credits to the Financing and Investment Income and Expenditure line in Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for that instrument.

8.1 Statement of Accounting Policies (continued)

Financial Instruments (continued)

Where the City Council loans to organisations at less than market rates (soft loans) that are not material they are disclosed in a note to the financial statements, but no entries have been made in the Comprehensive Income and Expenditure Statement. Where a loan is material and has been treated as a soft loan and carried at fair value in the accounts. Any loss is debited to the appropriate service in the Comprehensive Income and Expenditure Statement with the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. The basis for the percentage rate used is a combination of the base rate at the time the loan was granted and an allowance for the risk that the loan may not be repaid.

Any gains and losses that arise on the de-recognition of the asset, are credited / debited to the Comprehensive Income and Expenditure Statement.

Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

Values are based on the following principles:

- instruments with quoted marked prices - the market price
- other instruments with fixed and determinable payments - discounted cash flow analysis
- equity shares with no quoted market prices – professional estimate

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

8.1 Statement of Accounting Policies (continued)

Financial Instruments (continued)

Fair Value through Other Comprehensive Income

The Council has elected to designate investments in equity instruments to FVOCI where they are not held for trading. Movements in fair value will be accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss would be transferred to the General Fund.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost, and where relevant FVOCI, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place borrower could default on their obligations. Where the credit risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The Council will assess losses for the portfolio on a collective basis where a significant number of small loans are made at less than market rates to individuals and it does not have reasonable and supportable information available without undue cost or effort to support the measurement of lifetime expected losses on an individual basis.

Where the authority has a commitment to make loans at some point in the future, this commitment is not reflected in any accounting entries until the lender actually draws down some or all of the facility. A provision might be required to reflect potential defaults if the borrower were to exercise their drawdown rights.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. These financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the City Council has, this means that the amount presented in the balance sheet is the outstanding principal repayable plus accrued interest. Interest charged to the Comprehensive Income

8.1 Statement of Accounting Policies (continued)

Financial Instruments (continued)

The City Council may pay off or replace loans earlier than originally planned as part of its debt management strategy, dependent upon prevailing market conditions, risk and financial benefits that may accrue to the Council.

One of the mechanisms for managing long term loans is the restructuring of the debt portfolio. This may be carried out in order to achieve a more balanced debt profile, to change the volatility of existing debt, to amend cash flows or to reduce financing costs. Debt rescheduling may give rise to a payment to the lender (a premium) or a payment to the borrower (a discount).

Gains and losses on the re-purchase or early settlement of borrowing are credited / debited to Net Cost of Services in the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However, where re-purchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as income at the date that the Council satisfies the conditions of entitlement to the grant / contribution, and there is reasonable assurance that the monies will be received. Where conditions are outstanding, the amounts are treated as either capital or revenue receipts in advance, forming part of short or long term creditors.

Service specific revenue grants are matched in service revenue accounts with the service expenditure to which they relate. Grants to cover general expenditure (e.g. Revenue Support Grant) form part of Taxation and Non-Specific Grant Income at the foot of the Comprehensive Income and Expenditure Statement.

Heritage Assets

The City Council's heritage assets are situated at various locations throughout the city but principally at the four main museums.

- Potteries Museum and Art Gallery – containing nationally important ceramics, the Staffordshire Hoard; the largest and most valuable Anglo-Saxon treasure ever found and a WWII Spitfire.
- Gladstone Pottery Museum – the only complete Victorian pottery factory from the days when coal-burning ovens made the world's finest bone china.

8.1 Statement of Accounting Policies (continued)

Heritage Assets (continued)

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the City Council's accounting policies on property, plant and equipment, as amended and include intangible heritage assets. A level of £10,000 has been established for assets to be valued. Any assets less than this level are valued in line with the average increase in assets above £10,000.

The City Council's collections of heritage assets are reported in the balance sheet at valuations where the cost of obtaining professional valuations has not been prohibitive.

Ceramics, Porcelain and Fine Arts

The ceramics and porcelain artefacts and fine art collection, which includes paintings (both oil and watercolour), prints, sculptures and sketches are deemed to have indeterminate useful lives and a high residual value therefore depreciation is not charged.

Acquisitions are initially recognised at cost and donations are recognised using a valuation provided by an external valuer.

Machinery, Equipment and other Artefacts from the Pottery Industry

The City Council considers that obtaining valuations for the vast majority of machinery, equipment and other artefacts and ephemera from the pottery industry exhibited would, due to the diverse nature of the assets held and the lack of comparable values, involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements and consequently the City Council does not specifically recognise this collection of heritage assets on the balance sheet. Where acquisitions take place, these are initially recognised at cost or where bequeathed or donated, at nil consideration.

Archaeology

The Council does not consider that reliable cost or valuation information can be obtained for the items held for the majority of its archaeological collection. This is because of the diverse nature of the assets held and lack of comparable market values. Consequently the City Council does not recognise these assets on the balance sheet

Property

The City Council considers the Gladstone Pottery Museum, Etruria Industrial Museum and Ford Green Hall buildings as heritage assets and are held on the balance sheet in accordance with the City Council's accounting policies on property, plant and equipment.

8.1 Statement of Accounting Policies (continued)

Heritage Assets (continued)

Heritage Assets – General

Where there is evidence of impairment the carrying amounts of heritage assets will be reviewed e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for, where applicable, in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Intangible Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the City Council e.g. software licenses, is capitalised when it brings economic or service benefits for more than one year. Intangible fixed assets are initially recognised at cost. Thereafter, where an active market exists for the asset they are carried at fair value, otherwise they are included in the balance sheet at historic cost less any accumulated amortisation and impairment.

Assets of a finite life are amortised on a straight line basis over the life. For assets of an infinite life they are assessed for impairment. The City Council does not amortise assets in the year of acquisition, but a full year's charge is made in the year of disposal.

8.1 Statement of Accounting Policies (continued)

Interests in Companies and Other Entities

The Council has registered subsidiary companies in respect of a Fortior Homes, Unitas Stoke-on-Trent, Stoke EnergyCo, STCC RP and Stoke on Trent Futures. Subsidiary companies are consolidated as part of the group accounts only when transactions are considered material. The Council has no material interests in companies and other entities that have the nature of associates and jointly controlled entities. In order to align group entities accounting policies to those used by the Council and ensure consistency of accounting treatment across the group, the following principles have been adopted:

- Consolidation of Subsidiaries - Subsidiaries have been consolidated using the acquisition accounting basis. This is a full, line by line consolidation of the financial transactions and balances of the Council and its subsidiaries. To avoid overstating the figures within the group financial statements, all transactions and balances between members of the group (the Council and its subsidiaries) have been eliminated.
- Alignment of accounting framework and policies - Where group organisations use different accounting policies to the Council, their accounts have been restated to align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.
- Unrealised profits from intra-group transactions - Any unrealised profit reflected in the carrying amount of property, plant and equipment and inventory arising from trading between the Council and its group companies will be eliminated to avoid the double counting of gains.
- Company losses Accounting Treatment - The Group Comprehensive Income and Expenditure Account includes the profits / losses arising in each of the wholly owned subsidiary companies. Profits/losses from wholly owned subsidiaries are included in Group Surplus or Deficit on Provision of Services from ordinary trading activities.

Investment and Surplus Property

Investment property is held solely to earn rentals and / or for capital appreciation and are measured initially at cost and subsequently at fair value. Investment Properties are not depreciated but are revalued annually. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The gains and losses are not permitted by statute to impact on the General Fund Balance so are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Costs and Income received in relation to investment properties is credited to the Financing and Investment Income line and result in a gain/loss to the General Fund Balance.

Assets identified as 'of indeterminate use' are classified as surplus assets within Property, Plant and Equipment. Housing related assets and assets held to provide economic regeneration are classified as operational properties based on their principal function being service related.

8.1 Statement of Accounting Policies (continued)

Leases

Finance Leases

The City Council as lessee:

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to pay the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the surplus / deficit for the year. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rentals are expensed in the period in which they are incurred.

The City Council as lessor:

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is treated as a disposal. Amounts due from lessee are recorded as a long-term debtor at the amount of the City Council's net investment in the lease. Where income received under leases qualifies under the definition of capital receipts, the element of finance lease payments relating to the write-down of the debtor's obligation will be treated as a capital receipt applied to accounting periods, so to reflect a constant periodic rate of return on the City Council's net investment outstanding in respect of the leases.

Operating Leases

The City Council as lessee:

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

The City Council as lessor:

Where the Council grants an operating lease, the asset is retained in the Balance Sheet. Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying

Minimum Revenue Provision

The Council set aside from its General Fund Revenue Account a regular provision for repayment of debt. There is no longer a separate requirement to set aside a minimum revenue provision from the Housing Revenue Account.

MRP relating to pre 2008 debt liability will be charged at the rate of 2% straight line. Post 2008 MRP reflected within the debt liability at the end of the financial year will be subject to MRP based on Asset Life charged over a period which is reasonably commensurate with the estimated useful life of the asset (or group of assets) as determined by professional judgement. Where the underlying borrowing is by way of a finance lease or service concession arrangement (PFI scheme), additional revenue provision may be set aside based on the capital repayment plan of the agreement.

The City Council may apply an additional voluntary contribution, including capital receipts or revenue contributions, to reduce its debt liability. In instances where the Council incurs borrowing in order to lend funds to a third party, it will treat any advance as "Serviced debt" and therefore no MRP will be set-aside providing there is an agreed repayment date. Annually the Council will undertake a financial assessment of the third parties ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.

Non-Current Assets Held for Sale

Classified as Non-current assets where the sale is highly probable, the asset is available for immediate sale in its present condition and the City Council is committed to and actively marketing the sale and which is normally expected to qualify for recognition as a completed sale within one year from the date of classification. The assets is measured at the lower of their previous carrying amount or fair value less costs to sell. Fair value is open market value including alternative uses. Depreciation is not charged on Assets Held for Sale.

The gain or loss on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in Other Operating Expenditure within the Comprehensive Income and Expenditure Statement. Where the asset no longer meets the criteria it is reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Assets Held for Sale, and their recoverable amount at the date of the decision not to sell.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Authority's arrangements for the operation

8.1 Statement of Accounting Policies (continued)

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Private Finance Initiative (PFI) and Similar Contracts

PFI and service concessionary transactions are treated in the City Council's accounts in accordance with the Code, based on IFRIC12 (control of asset). Non-current assets related to these contracts and recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The following PFI schemes (or similar) are deemed to be controlled and the assets recognised as operational as a consequence:

- Schools - assets transferred to Transform Schools (Stoke) Limited
- Street Lighting - assets transferred to Tay Valley Lighting (Stoke-on-Trent)
- Bentilee District Centre - assets transferred to Bentilee HUB (Project Company)
- Extra Care – assets transferred to Sapphire Extra Care Limited

The amounts payable to the PFI operators each year (known as the unitary charge) are analysed into five elements:

- fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- finance cost - an interest charge of an agreed % on the outstanding balance sheet liability, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- contingent rent - increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- lifecycle replacement costs (regular major planned refurbishments) - recognised as non-current assets on the balance sheet;
- payment towards liability - applied to write down the balance sheet liability towards the PFI operator.

8.1 Statement of Accounting Policies (continued)

Property, Plant and Equipment

Recognition

Classified as assets that have physical substance and provide benefits and are expected to be used during more than one financial year.

Expenditure on the acquisition, creation or enhancement of property, plant and equipment has been capitalised on an accruals basis where it is probable that the future economic benefits or service potential associated with the item will flow to the entity and the cost of the item can be measured reliably.

This excludes routine repairs and maintenance, which is charged directly to the service revenue accounts.

The Council has set an administrative capital de minimis levels:

o Land and Buildings	£15,000
o Equipment	£5,000
o Schools Capital	£2,000

This does not preclude expenditure below these levels being recognised particularly those relating to a number of assets the costs of which are collectively above the de minimis levels e.g. computer equipment.

Where expenditure is determined not to add value to an asset and the asset is held at fair value the expenditure is treated as impairment and charged to the Comprehensive Income and Expenditure Statement in the year incurred.

Measurement and Valuation

Property, plant and equipment is initially measured at cost, being costs attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Thereafter the assets are valued, dependent upon their class, as follows:

- Infrastructure and community assets – depreciated historic cost less any impairment loss where applicable;
- community buildings – depreciated historic cost
- assets under construction – historic cost;
- Investment properties and surplus assets – fair value under IFRS 13

8.1 Statement of Accounting Policies (continued)

Property, Plant and Equipment (continued)

Current value is assessed as:

- council dwellings – existing use value - social housing (EUV-SH) with an adjustment factor (Vacant Possession Adjustment Factor) applied to the open market value to recognise the continuing occupation of a secure tenant;
- specialised assets for which there is no active market – depreciated replacement cost;
- non-property assets with short useful lives and/or low values – depreciated historic cost as a proxy for fair value;
- other properties - existing use value;

The asset values for property related assets are based upon certificates issued by the City Council's Valuation Officers and independent external valuers. Revaluations will be made with sufficient regularity to ensure that the carrying amount reflects the fair value at the end of the reporting period. Valuations shall be carried out at intervals of no more than five years.

Revaluation gains or losses arising are taken to the Revaluation Reserve except where the asset has been subject to a previous revaluation or impairment loss in which case all or part of the gain/loss is credited/debited to the Comprehensive Income and Expenditure Statement.

Asset Components are considered for recognition where individual buildings are revalued to a fair value that is greater than £1m, have different useful lives and / or depreciation bases and the depreciation charges materially affect the statement of accounts.

Depreciation

The City Council does not charge depreciation in the year of acquisition, but does charge a full year's depreciation in the year of disposal. The general principle being that the value of assets is allocated to services over the periods expected to benefit from their use.

Property, plant and equipment are depreciated using the straight line method, over the useful economic lives as advised typically:

- Infrastructure 20 - 40 years
- Buildings 20 - 60 years
- Vehicles, Plant and Equipment 5 – 20 years

Land is considered to have an indefinite useful life and is not depreciated but is subject to impairment review.

Impairment

The City Council undertakes an annual assessment as to whether any indication of impairment of its assets exists or that any impairment loss previously recognised may have decreased.

8.1 Statement of Accounting Policies (continued)

Property, Plant and Equipment (continued)

Where a material impairment is identified this is accounted for by writing off the impairment charge against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement. as to whether any indication of impairment of its assets exists or that any impairment loss previously recognised may have decreased.

Where an impairment reversal is identified it is credited to the Comprehensive Income and Expenditure Statement to the extent that the carrying value of the assets returns to that which would have been the case if no previous impairment had occurred. Any excess gain over this amount is treated as a revaluation gain and credited to the Revaluation Reserve.

Disposals and asset derecognition

When an asset or significant component is disposed of, derecognised, replaced or decommissioned the gain or loss on disposal, being the difference between the net disposal proceeds, if any, and the net carrying amount of the asset, is recognised in the Comprehensive Income and Expenditure Statement. Any revaluation gains in the Revaluation Reserve related to the asset or part thereof are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposal is payable to the Government. As a result of changes in legislation, as set out in amendments to the Local Government Act 2003, the City Council also has the option to retain 100% of some receipts (Non Right-to-Buy and 1-4-1 replacement) provided that they are used for the provision of affordable housing, regeneration projects or the repayment of housing debt. The balance of receipts is credited to the Usable Capital Receipts Reserve, and, subject to any direction by central government, can then only be used to finance new capital investment or reduce the City Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Usable Capital Receipts Reserve via the Movement in Reserves Statement.

Revaluation on Disposal of Housing Assets

HRA assets disposed of under Right to Buy (RTB) legislation continue to be valued as operational assets up to the point of disposal. Once disposal takes place there is no revaluation to the discounted RTB value. This approach is in line with the MHCLG Guidance on Stock Valuation for Resource Accounting which authorities in England are required to follow.

Provisions

Provisions are only recognised when the City Council has a present obligation as a result of a past event, where it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made however the timing or the actual amount involved is uncertain. Where the obligation is expected to be settled after more than one year and the effect of the time value of money is material, the amount of a provision reflects the present value of the expenditure expected to be required to settle the obligation.

8.1 Statement of Accounting Policies (continued)

Provisions (continued)

Estimated settlements are reviewed at the end of each financial year, where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made); the provision is reversed and credited back to the relevant service.

Reserves

The City Council sets aside specific amounts as reserves for future policy purposes or to cover future events / contingencies. When the expenditure to be financed from reserves is incurred, it is charged to the appropriate service revenue account and included in net cost of services in the Comprehensive Income and Expenditure Statement. The corresponding amount is then transferred from the appropriate reserve account back into the General Fund to ensure that there is no further charge on the council tax for that year. The City Council's usable reserves include both usable earmarked reserves, which are set aside for specific purposes; and the General Reserve, which is set aside for future general use.

The City Council has a number of unusable reserves that are not able to be used to provide services. These represent unrealised gains and losses and adjustments between accounting basis and funding basis under regulation.44.

Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of fixed assets has been charged as expenditure to the relevant service revenue account in the year. Where the City Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, amounts charged are reversed out of the General Fund Balance as a Movement on Reserves to ensure there is no impact on the level of Council Tax.

Schools - Foundation Schools and Academies

In accordance with the "Schools Organisation" (Prescribed Alteration to Maintained School) (England) Regulation 2007, the freehold title to land and buildings occupied by any foundation school, is transferred from the City Council to the governing body of the school, together with any contractual obligations and benefits. To determine the Balance Sheet treatment of Foundation School assets, the City Council has considered who bears the risk and rewards of ownership. It is the City Council's view that land is foundation school responsibility and is derecognised from the Councils balance sheet. Where the Foundation School building is part of the PFI scheme, the accounting treatment is in line with IFRIC 12: Service Concession Arrangements and is recognised on the balance sheet for the period of the PFI contract.

Schools - Foundation Schools and Academies (continued)

For Academies, it is the City Council's view that academy schools are an independent entity and bear a significant proportion of the risks and rewards relating to the school, hence the assets and liabilities of the academies are not consolidated into the City Council's Balance Sheet.

The City Council derecognises all of the assets and liabilities in the financial year applicable to the date specified in the academy conversion order for the schools to convert. Derecognition is applied in full and charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the financial year in which they were derecognised.

VAT

VAT is included within the accounts only to the extent that it is irrecoverable. The City Council is able to recover VAT on nearly all its expenditure (input tax) and in addition, accounts for VAT on its income (output tax) where applicable.

Voluntary Aided and Voluntary Controlled (Faith) Schools

Schools governing bodies are separate entities to the Council but (with the exception of academies and free schools) are considered to be part of the council and their activities are reported within the Comprehensive Income and Expenditure Statement. Non-current assets are recognised on the balance sheet as they are considered to be within the scope of IFRIC 12: Service Concession Arrangements and controlled by the Council under that contract.

8.2 Glossary of Financial Terms

Term	Definition
12-month expected credit losses	The expected credit losses for a financial asset that are projected for the possible default events that might happen only in the next financial year.
Accruals accounting	A basis of accounting in which the effects of transactions and other events on an authority's resources are accounted for when the effects occur; not when the relevant cash receipts or payments take place. For instance, employee costs are treated as an expense as employees provide services to the authority, not when salaries are paid.
Accumulated Absences Adjustment Account	The unusable reserve that absorbs the differences that would otherwise arise from accruing for the cost of holiday entitlements outstanding at the end of the year whereas statutory provisions permit them to be funded in the year the benefit is taken.
Actuarial gains and losses	Changes in the Council's pensions liabilities calculated at the end of the previous year as a result of actual events being different from those predicted by the actuary or because the actuary has updated their assumptions.
Actuary	The expert engaged by the Council to calculate its pensions liabilities.
Agency arrangements	Arrangements under which the Council provides goods or services to third parties on behalf of another organisation.
Amortisation	The spreading of the cost of an asset over a number of financial years to fairly represent the period over which the Council benefits from the asset.
Amortised cost	A way of measuring financial instruments that ignores changes in fair value but takes into account the spreading of transactions costs over the instrument term and the impact of any concessionary interest rates.
Amortised cost financial assets	Investments for which any gains and losses in fair value are not accounted for until the investment matures or is sold. Defined as financial assets: held within a business model whose objective is to hold investments in order to collect their contractual cash flows, and; which have the form of a basic lending arrangement (i.e., contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding).
Annual Governance Statement	A statement published with the Statement of Accounts prepared in accordance with the CIPFA/SOLACE publication Delivering Good Governance in Local Government: Framework. It assesses the effectiveness of the arrangements the Council has put in place to govern decision-making and accountability.
Appointed auditors	The auditor appointed by Public Sector Audit Appointments to carry out the external audit of the Council's accounts.
Assets	Present economic resources controlled by the Council as a result of past events. Assets include such things as the Council's property, cash and investments and sums owed to it.
Asset held for sale	An asset (or group of assets and liabilities) whose value will be recovered principally by being sold rather than through its continued use in the provision of services.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Assets under construction	Property, plant and equipment that is being constructed for use by the Council but which is not yet operational.
Audit	Activity that investigates whether the Council's financial systems and other accounting arrangements are adequately designed and operating effectively, and that the information they produce is reliable for the purposes of preparing financial statements.
Audit committee	A committee of the Council that oversees the work of internal auditors and considers reports from the external auditors.
Balance Sheet	The financial statement that summarises the assets and liabilities of the Council at the end of the financial year and shows how net assets are balanced by the reserves held by the Council.
Balance sheet date	The last day of the financial year - the date for which the balance sheet is prepared.
Beacon property	A property that is similar to others held by the Council, so that its valuation can be used to estimate a valuation for those other properties.
Capital Adjustment Account	The unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets (largely depreciation) and for the financing of the acquisition, construction or enhancement of those assets from revenue, grants, contributions and capital receipts as determined under statutory provisions. (The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.)
Capital expenditure	The expenditure incurred by the Council that is intended to provide longer-term benefits and qualifies to be paid for from capital resources, rather than charged to revenue as it is incurred. The definition covers expenditure that results in the recognition of non-current assets in the Balance Assets and other transactions specified in Government regulations.
Capital financing	The Council's arrangements for meeting the cost of capital expenditure, covering capital grants and contributions, capital receipts and charges to revenue over the period that will benefit from the expenditure.
Capital Financing Requirement	The measure of the Council's capital expenditure that has yet to be financed, as defined in the Prudential Code. It increases as capital expenditure is incurred and reduces when resources are set aside as capital finance.
Capital grants	Grants given to meet the cost of capital expenditure.
Capital Grants Unapplied	The amount in the Balance Sheet of capital grants that have not yet been used and will have to be repaid if conditions for their use are not met.
Capital programme	The Council's plans for capital expenditure, usually detailing the individual projects that are to be carried out, their budgeted cost and the expenditure incurred to date on them.
Capital receipts	Income received from the sale of non-current assets (particularly property) and from other transactions specified in Government regulations. Their use is largely restricted to financing capital expenditure.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Capital Receipts Reserve	The reserve in the Balance Sheet that holds the capital receipts that have yet to be applied to financing capital expenditure.
Capital resources	All the resources available to the Council to finance capital expenditure, comprising capital grants and contributions and capital receipts.
Capital strategy	The annual strategy that the Prudential Code requires the Council to prepare. It gives an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, how associated risk is managed and the implications for future financial sustainability.
Capitalisation direction	A permission from the Government to treat a specified amount of revenue expenditure as if it were capital expenditure, allowing it to be financed from capital resources or MRP.
Cash	Notes and coins held by the Council and money in bank accounts that can be withdrawn on demand.
Cash equivalents	Investments that are comparable to cash, being short-term, highly liquid and readily convertible to known amounts of cash and unlikely to change in value.
Code of Practice on Local Authority Accounting	The document that specifies the contents of the Council's statement of accounts, the accounting policies it must follow, the presentation of the financial statements and the notes to be provided.
Collection Fund	The separate accounting arrangements for the collection of council tax and business rates and the sharing of the proceeds between the Council, Government and other public bodies.
Collection Fund Adjustment Account	The unusable reserve that manages the differences arising from the recognition of council tax and business rates income as it falls due from tax payers compared with the statutory arrangements for paying across annual entitlements from the Collection Fund to the General Fund.
Community assets	Property, plant or equipment that the Council intends to hold in perpetuity that has no determinable life (such as open spaces) and which may have restrictions on its disposal (excluding heritage assets).
Community schools	State-funded schools for which the Council is responsible for owning the land and buildings, employing the staff and determining admissions.
Componentisation	The process of splitting an asset into its component parts so that depreciation can be calculated separately for components with different useful lives.
Comprehensive Income and Expenditure Statement (CIES)	The financial statement that summarises the expenditure that the Council has incurred in providing services and the income it has generated during the year and other gains and losses arising from changes in the value of assets and liabilities.
Contingent rent	Rent payable under a lease that is not fixed but based on the future amount of a factor (such as a rent review based on an inflation index).

8.2 Glossary of Financial Terms (continued)

Term	Definition
Contingent liability	A possible obligation for the Council that arises as a result of something that has happened before the year-end, but whose existence will not be confirmed until an uncertain future event (not wholly within the Council's control) either takes place or does not.
Contract asset	An asset arising from a contract for the purchase of goods and/or services from the Council, where the Council has met some of its performance obligations but is not yet entitled unconditionally to receive payment
Council tax	The tax raised on households, based each year on the position of the property in eight valuation bands A to H.
Council tax base	The measure of the Council's potential to raise council tax, based on the number of Band D equivalent properties in the local area.
Council tax requirement	The excess of the expenditure planned by the Council for the next financial year over its projected income and use of reserves, which will therefore need to be raised from council tax.
Creditors	The organisations and individuals that the Council owes money to.
Current value	The measurement bases for property, plant and equipment, reflecting the economic environment for the service the item is supporting. Possible methods comprise: existing use value, existing-use value - social housing, depreciated replacement cost and fair value.
Debtors	The organisations and individuals that owe the Council money.
Dedicated Schools Grant	The Government funding provided to the Council to support the Schools Budget.
DSG Adjustment Account	An adjustment account that accumulates overspends on the Schools Budget.
Deferred Capital Receipts Reserve	The unusable reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place
Defined benefit scheme	A pension scheme where the future benefits receivable by pensioners are guaranteed and sufficient contributions have to be paid into the fund to ensure that payments will be affordable.
Defined contribution scheme	A pension scheme where the contributions payable into the fund are fixed and the benefits receivable by pensioners will depend on the assets that the fund has accumulated to pay them.
Dividends	Income received from distribution of the profits of companies in which the Council holds shares.
Depreciated historical cost (DHC)	A method for measuring property, plant and equipment based on the cost of an asset, reduced by the depreciation charged on it and impairment losses incurred.
Depreciated replacement cost (DRC)	A method for valuing property, plant and equipment based on the estimated cost of replacing an asset with its modern equivalent less deductions to reflect its current physical condition.
Earmarked reserves	Amounts of revenue reserves that have been identified as cover for future spending plans or contingencies.
Events after the reporting period	Events that have taken place after the financial year that might require the accounts to be adjusted or supplemented with further information in order for them to be true and fair.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Expected credit losses (ECLs)	The credit losses that the Council estimates will arise from the amounts that it is currently owed. ECLs are calculated by measuring the losses that would arise from different default scenarios, resulting in a weighted average loss based on the probability of each scenario taking place.
Expenditure and Funding Analysis	A note to the financial statements that compares the Council's net expenditure for the year in accounting terms (as shown in the Comprehensive Income and Expenditure Statement) to the net spend against the General Fund Balance (against which the Council monitors its progress against budget, as shown in the Movement in Reserves Statement).
Existing use value (EUV)	A basis for valuing property, plant and equipment that estimates a sale price for an asset disregarding potential alternative uses and any other characteristics of the asset that would make its market value different from the expenditure needed to replace the remaining service potential at least cost.
Existing use value - social housing	A specific existing use valuation basis for social housing.
Fair value	The price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants.
Fair value through other comprehensive income financial assets	Investments for which gains and losses in fair value are recognised on the Balance Sheet but do not impact on the Council's income as they arise but only when the investment matures or is sold. Defined as financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling investments, and which have the form of a basic lending arrangement.
Fair value through profit or loss financial assets	Defined as financial assets that do not qualify for measurement at amortised cost or fair value through other comprehensive income. Movements in their fair value are recognised as income and expenditure when they arise.
Financial instrument	A contract that gives one party a financial asset and the other party a financial liability (or an equity instrument), such as a loan, credit terms for the purchase of goods or services or a share in a company.
Financial Instruments Adjustment Account	An unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. For example, a debit balance on the Account shows that the Council has incurred expenses on borrowings that the Government has permitted it to spread over future years.
Financial Instruments Revaluation Reserve	An unusable reserve that contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The Council might benefit in the future from the gains when the investments mature or are sold or they might be lost in falls in value.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Flexible use of capital receipts	Statutory arrangements allowing revenue expenditure to be financed from capital receipts if the expenditure is intended to generate ongoing savings in the delivery of services and/or transform service delivery to reduce costs.
General Fund	The fund into which the Council pays all its revenue income and from which it incurs all its revenue expenditure, unless specifically mandated by law not to.
General Fund Balance	The surplus or deficit on the General Fund at a particular date arising from all transactions up to that date, showing the ability of the Council to fund future revenue expenditure (surplus) or the requirement to make savings or raise additional income (deficit).
Group accounts	Financial statements that bring together the transactions and balances of a local authority and its subsidiaries, associates and joint ventures as if they were a single economic entity.
Going Concern	The assumption made when preparing the financial statements that the functions of the Council will continue in operational existence for the foreseeable future, in particular so that assets can be valued on the contribution they will continue to make to the Council's services rather than the price that would be obtained if they were sold on its liquidation.
Heritage assets	Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture (such as historic buildings, museum collections and public art).
Historical cost	An accounting convention based on what items actually cost to acquire or construct and the cost of their subsequent enhancement, rather than the value they currently have.
Housing Revenue Account (HRA)	The account that ring-fences the running costs for the Council's housing stock and the rents collectable from tenants, ensuring that the service is not subsidised by council tax payers.
IAS	International Accounting Standard - the title for the various standards issued by the IASB before 2003.
IFRIC	The title of interpretations of IFRS issued by the IFRS Interpretations Committee and its predecessors
IFRS	International Financial Reporting Standards - the suite of standards issued by the IASB that form the basis for the Code of Practice on Local Authority Accounting. Also the title for the various individual standards issued by the IASB from 2003 onwards.
Infrastructure assets	Assets whose purpose is fixed once they are constructed and whose value can only be recovered through their continued use for this purpose, such as roads and bridges.
Intangible assets	Assets that do not have physical substance, such as computer software, licences and websites supporting the Council's services.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Investment property	Land and/or buildings held solely to earn rentals or to benefit from increases in their value (or both), and not for use in the production or supply of goods or services, for administrative purposes or for sale as part of the Council's normal business.
Lifecycle replacement costs	Costs incurred under a service concession arrangement for the replacement of worn-out components of the service concession asset over the term of the contract.
Lifetime expected credit losses	The expected credit losses that are projected to arise from all possible default events that might happen in the lifetime of a financial asset.
LOBO (lender option borrower option)	A type of loan where the lender has options on particular dates to change the interest rate. If a lender option is exercised, this triggers an option for the borrower to repay the loan.
Loss allowance	An allowance made by setting funds aside to cover the expected credit losses calculated for a financial asset.
Maintained schools	Schools overseen by the Council, particularly in the provision of funding, comprising community, foundation, voluntary-aided and voluntary-controlled schools.
Major Repairs Reserve	A statutory reserve that accumulates resources to finance capital expenditure on the Council's housing stock, built up from transfers from the HRA of amounts equal to the depreciation of the stock each year.
Market value	The price at which an asset could be sold in a competitive market.
Materiality	A measure of the significance of information potentially to be included in the financial statements, whereby its omission, misstatement or obscuration could reasonably be expected to influence decisions that the primary users make on the basis of those financial statements. Materiality is important for influencing what figures should be included in the financial statements, how precise those figures need to be, and how much additional information needs to be provided about them.
Movement in Reserves Statement (MiRS)	The financial statement that shows the balances of capital and revenue resources available to the Council at the year-end, detailing how these balances have been arrived at by adjustments to the financial performance established by proper accounting practices in the Comprehensive Income and Expenditure Statement.
Money market funds	Collective investment schemes in which a number of investors put their money, which is then invested by the fund manager in a portfolio of highly liquid and low risk investments.
MRP (Minimum Revenue Provision)	The method by which capital expenditure is financed by setting aside amounts from revenue over the useful life of the relevant asset (or in accordance with some other methodology that prudently approximates this).
Net realisable value	The estimated selling price of an inventory item, less any estimated costs of completing the item, and less the costs necessary to make a sale or exchange.
NNDR	National Non-Domestic Rates - an alternative name for business rates.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Past service cost	The change in pensions liabilities relating to employee service in previous years as result of changes to the pension scheme or the ending of the Council's responsibility for employees transferred to another organisation.
Pensions assets	The assets held by a pension fund that are attributable to the contributions paid into it by the Council.
Pensions liabilities	The present value of the obligation that the Council has to fund expected pension payments in relation to employee service rendered up to the end of the current year.
Pensions Reserve	An unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. For instance, a debit balance on the Reserve shows that the Council has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.
PFI (Private Finance Initiative)	Contracts under which an operator constructs or enhances an asset and then provides services on behalf of the Council through the use of that asset in return for payment. Payments are normally based on a fixed annual sum, but can be reduced if the operator does not achieve targets for availability of the asset or standards of service.
Prepayments	Payments made by the Council in advance of goods or services being supplied.
Principal	The amount advanced as a loan and which is required to be repaid during or at the end of the loan term.
Property, plant and equipment	A class of assets with physical substance that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes (and expected to be used for more than one year).
PWLB (Public Works Loan Board)	A lending facility operated on behalf of HM Treasury that provides loans to local authorities and other public bodies.
Rateable value	The value assigned to a property by the Valuation Office for the purposes of calculating business rates payable for the year.
Related parties	Persons or entities with which the Council has a relationship, such as a company in which the Council has an interest or an organisation that is controlled by a member or chief officer.
Remeasurements of the net defined benefit liability	Changes in the net pensions liability comprising actuarial gains/losses and the difference between the return on plan assets and net interest on the net defined benefit liability.
Residual value	The amount that an item of property, plant or equipment could be sold for (less costs of disposal), if it were in the condition expected at the end of its useful life.
Retirement benefits	The benefits that employees earn during their period of employment but which are not paid to them until after they retire (predominately pensions).
Return on plan assets	The income of pension schemes attributable to the Council - interest, dividends, unrealised gains/losses, etc - less costs of asset management and taxes.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Revaluation gain	The excess of the revalued amount of an asset over its previous carrying amount.
Revaluation loss	A shortfall in the revalued amount of an asset compared with its previous carrying amount.
Revaluation Reserve	The unusable reserve that accumulates the gains made by the Council from increases in the value of its Property, Plant and Equipment assets. The Council might benefit from these gains in the future from the continued use of the assets or from their sale. (The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.)
REFCUS	Expenditure that would normally be charged to revenue resources but which Government regulations allows to be treated as capital expenditure and funded from capital receipts or MRP.
Right to buy	The right acquired by tenants of Council dwellings to buy their homes at a discounted price.
Section 151 officer	The officer statutorily responsible for the proper administration of the Council's financial affairs.
Soft loan	A loan where the interest rate is less than that which would apply if the loan had been negotiated on a wholly commercial basis.
Statement of Accounts	The formal name for the financial statements that the Council is required to prepare each year.
Statutory adjustments	The adjustments made under law and regulations to the outcomes of the Accounting Code's requirements before establishment of the General Fund Balance, allowing the budgetary impact of specified items of expenditure on particular financial years to be managed. Adjustments relate primarily to the revenue impact of capital expenditure and pensions costs.
Surplus assets	Property, plant or equipment that is not being used to provide services but that does not meet the criteria for an investment property or an asset held for sale.
Termination benefits	Employee benefits given in relation to the termination of an officer's employment, usually as a result of redundancy or early retirement.
Trade receivables	The amounts that the Council is owed for goods and services that it has provided in the course of its normal activities but which have yet to be paid for.
True and fair	The standard against which local authority accounts are prepared, requiring compliance with statutory requirements and the Accounting Code, the absence of material misstatements and bias in the presentation of information, and faithful representation of transactions and events.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Unfunded pension scheme	A scheme where pensions are paid out of contributions from employers and employees made as payments to pensioners fall due, rather than contributions being paid into a fund as entitlements to future payments are earned by employees.
Unitary payment	The payments made to the contractor under a service concession arrangement, consolidating into a single amount the consideration due for the construction, acquisition or enhancement of the asset, interest payments and the services provided through operation of the asset.
Unusable reserves	The reserves in the Balance Sheet that are not balances of usable resources, comprising revaluation reserves and adjustment accounts.
Usable reserves	The reserves in the Balance Sheet that are balances of usable resources, both revenue and capital.
Useful life	The period for which an asset is expected to be available for use by the Council.
Vacant possession value	The value of a property that would normally be occupied by a tenant on the presumption that it is not currently so occupied.
Valuation	An estimate by an appropriately qualified person of the amount the Council could sell an asset for or of the benefit of continuing to use it for the provision of services. The basis of valuation will depend on the nature of the asset being valued.
Value in use	If use of an asset generates cash, the present value of the future cash flows expected from use of the asset; otherwise, the present value of an asset's remaining service potential.
Voluntary aided schools	Schools for which the Council is responsible for funding their running costs and the majority of capital expenditure but another party (usually a faith-based organisation) is responsible for employing the staff and administering admissions and owns the land and buildings.
Voluntary controlled schools	State-funded schools for which the Council is responsible for employing the staff and administering admissions, but the land and buildings are owned by another party (usually a faith-based organisation).
Write-off	The derecognition of an asset (such as a debtor) from the Balance Sheet when it becomes probable that the Council will not recover any further value from the asset. This does not preclude the Council from continuing attempts to (e.g.) recover a debt.